

JOINT ASX/MEDIA RELEASE – 15 July 2013

## RECOMMENDED TAKEOVER OFFER FOR BREAKAWAY RESOURCES

*Transaction to consolidate and accelerate copper-gold exploration in the Cloncurry region of North Queensland and gold exploration in the Leinster District of WA*

### Highlights:

- Breakaway shareholders to receive 1 Minotaur (MEP) share for every 10 Breakaway (BRW) shares, valuing Breakaway at 1.24 cents per share – a 33.4% premium to the 30-day VWAP of BRW shares.
- Breakaway's Board unanimously recommends that BRW shareholders accept the offer in the absence of a superior proposal.
- A pre-bid acceptance agreement representing 19.9% of BRW's issued shares is in place with Breakaway's largest shareholder, Norilsk Nickel, which will hold 7.1% of the enlarged Minotaur Group.
- Certain other Breakaway shareholders, representing an aggregate 18.6% of BRW's issued shares, have indicated that they also intend to accept the offer in the absence of a superior proposal.
- Based on information current as at 30 June the enlarged Minotaur Group will have a pro-forma market capitalisation of ~\$19 million and cash and listed investments of approximately \$10 million.
- Breakaway shareholders will hold 28.7% of the enlarged Minotaur Group, whose other major shareholders will include Oz Minerals Ltd (5.3%), Newmont Capital Ltd (3.5%) and Golden Fields Resources Pty Ltd (2.8%).
- The transaction will enhance Minotaur's strategy to position itself as a leading Australian copper-gold explorer, through the consolidation of extensive ground holdings totalling 18,347 km<sup>2</sup> distributed across notable Australian mineral provinces.
- It will also enable operational synergies to be realised in the Cloncurry area of North Queensland and in the Leinster region of WA. Immediate drill targets have been identified and prioritised over both the Eloise (Qld) and Leinster (WA) projects by Minotaur's exploration team.
- Joint venture funding arrangements between Minotaur and its strategic alliance partner have been secured over key projects within the combined exploration portfolio.

Minotaur Exploration Limited (ASX: MEP, "Minotaur") and Breakaway Resources Limited (ASX: BRW, "Breakaway") today announced a binding Bid Implementation Agreement ("BIA") under which Minotaur proposes to acquire all of the issued shares in Breakaway by way of an off-market agreed takeover offer.

Under the offer, Breakaway shareholders will receive **one (1)** new Minotaur share for every **ten (10)** Breakaway shares held. Based on Minotaur's 30-day volume weighted average price (VWAP) of 12.4 cents



on the ASX on 8 July 2013 (the last trading day for Breakaway shares before the date of this announcement) the offer values Breakaway at **\$5.4 million** or **1.24 cents per share**. This represents a **premium of 33.4%** to the 30-day volume weighted average price (VWAP) of Breakaway shares.

The transaction, which has been unanimously recommended by the Breakaway Board of Directors in the absence of a superior offer, will enhance Minotaur's position as a well-funded, diversified Australian minerals explorer with a strong focus on copper-gold and gold exploration in premier IOCG (iron oxide copper-gold) and gold provinces across Australia.

Breakaway shareholders will have the opportunity to participate in the growth of a well-credentialed and well-funded Australian exploration group with a strong balance sheet, access to funding through a recently announced copper-gold funding alliance with a cornerstone investor, and the opportunity to realise value from an expanded asset base including Breakaway's projects in North Queensland and WA.

Minotaur's exploration team has identified a number of high priority drill targets over both the Eloise tenements in Queensland and the Leinster tenements in WA. Both projects include a number of drill targets identified under cover and will benefit from Minotaur's expertise in this area of exploration.

### Transaction Outcome

Following completion of the transaction the enlarged Minotaur Group is expected to have a pro-forma market capitalisation of approximately \$19 million and a strong balance sheet with cash and listed investments of approximately \$10 million (using cash balances as at 30 June) and no debt. The enlarged Minotaur Group will have:

- A diversified exploration portfolio including extensive high-quality copper-gold exploration acreage in the Cloncurry-Mt Isa District of North Queensland, from the strategic combination of Minotaur's Cloncurry and Osborne Projects and Breakaway's Eloise Copper-Gold Project and Altia Base Metals Project (JV with Sandfire Resources NL);
- A pipeline of emerging resource projects with existing JORC defined ore bodies, including the Mutooroo Iron Ore Project and Poochera Kaolin Project in South Australia;
- A strategic ground position in WA's renowned Leinster gold district, including Breakaway's Leinster Gold Project where new gold exploration targets have been identified recently, plus Minotaur's recently acquired Scotia Gold Project;
- High-quality generative copper-gold and base metal exploration projects in South Australia, NSW and Victoria, all of which offer the potential for greenfields discoveries and exploration upside;
- An experienced management team, led by Chairman Derek Carter and Managing Director Andrew Woskett, with the ability to create shareholder value from this strong asset base.

Minotaur's Chairman, Mr Derek Carter, said:

*"We are pleased to have reached agreement with the Board of Breakaway to acquire the Company through a recommended off-market transaction. The combination of Breakaway's assets with Minotaur's is highly complementary and synergistic, and will create a platform to unlock significant value for both sets of shareholders. The transaction will accelerate and enhance our dual focus around copper-gold exploration in the premier Cloncurry-Mt Isa District of North Queensland and an emerging strategic position in advanced gold projects in the premier Leinster District of Western Australia.*

*"The enlarged Minotaur will have increased scale as a leading Australian minerals explorer, a strengthened shareholder and capital base, and exposure to Breakaway's high quality exploration holdings in WA and North Queensland. These include the Eloise copper-gold project, located directly adjacent to our tenure, and the joint venture with Sandfire at the Altia base metals project, where exploration is targeting a large-scale Cannington-style lead-zinc-silver discovery."*

Breakaway's Chairman, Mr John Atkins, said:

*"This transaction provides our shareholders with the opportunity to become part of a large, well-funded and highly-credentialed Australian exploration group with a diversified asset base and great upside. The current challenging market for junior explorers has made it virtually impossible to raise capital, which means that sensible business combinations such as this offer a far more attractive and less dilutive pathway for shareholders. Breakaway shareholders will emerge with around 29% of the merged entity, which will have a strong balance sheet, tight capital structure, excellent asset base and greater critical mass to survive the current tough times.*

*"Breakaway has a proud history as an Australian exploration company, and I would like to take this opportunity to thank our shareholders for their support over many years. The Company has played a pioneering role in exploration in some of Australia's most prospective districts, and this good work will be continued by Minotaur – which has an outstanding reputation as one of Australia's most technically skilled and accomplished explorers. We look forward to completing this transaction in a timely fashion and the board unreservedly recommends this offer to our shareholders."*

### **Further Transaction Details**

The offer will be implemented by way of an off-market takeover offer under the Australian Corporations Act. The consideration will be **one (1)** Minotaur share for every **ten (10)** Breakaway shares on issue. The offer extends to Breakaway shares only, as it is proposed that all Breakaway employee options on issue are to be cancelled.

Following implementation of the offer Breakaway is expected to become a wholly-owned subsidiary of Minotaur, with current Breakaway shareholders holding approximately 29% of the enlarged Minotaur.

Breakaway will be invited to nominate a representative to join the Minotaur Board which will continue to be chaired by Derek Carter with Andrew Woskett remaining as Managing Director. Breakaway's current Managing Director, Mr Victor Rajasooriar, and all but one of the other directors will step down from the Breakaway Board on completion of the offer.

Minotaur will remain headquartered in Adelaide with all of Breakaway's staff to be offered redundancies in accordance with their contractual arrangements.

## **Advisers**

Fortis Agō is corporate adviser and O’Loughlins Lawyers is legal adviser to Minotaur. RFC Ambrian is corporate adviser and Allion Legal is legal adviser to Breakaway.

## **About Minotaur Exploration**

Minotaur is an Adelaide-based minerals explorer specialising in the application of cutting-edge geophysical techniques to locate virgin mineralisation deep beneath the surface. Minotaur’s remote sensing approach to locate deposits contained within basement rocks, buried below several hundred metres of transported cover, has proven to be highly successful.

The directors and technical management of Minotaur each have around 30 years of exploration, mining and mineral resource experience and are eminently qualified in their respective fields of expertise. Under their direction, Minotaur has earned a strong reputation for technical excellence and a high profile within the Australian resource sector.

Minotaur is actively exploring for IOCG-style deposits where geophysics has identified sub-surface anomalies prospective for copper-gold mineralisation. Each of these targets represents a possible Prominent Hill-style orebody. Other ready-to-drill targets are prospective for base metals such as zinc, lead and copper. Minotaur recently announced a partnership and funding alliance with a private equity group to further the acquisition and development of copper-gold and gold focused projects within Australia.

Minotaur wholly owns the premier Poochera Kaolin deposits in South Australia and the nearby Lake Purdilla gypsum deposit.

Minotaur also holds stakes in several ASX-listed mineral exploration and resource companies, being Mithril Resources Ltd (ASX: MTH – 9.75%), Mungana Goldmines Ltd (ASX: MUX – 1.9%), Petratherm Ltd (AAX: PTR – 17%), Platsearch NL (ASX: PTS – 4.56%), Spencer Resources Ltd (ASX: SPA – 4.26%) and Thomson Resources Ltd (ASX: TMZ – 14.25%).

Minotaur’s key exploration assets are summarised below:

- 4,060km<sup>2</sup> of prospective tenure in Queensland, focused mainly on the renowned Cloncurry copper-belt, where Minotaur is in joint venture with Japan’s JOGMEC (51%). The Company’s wholly owned tenement position at Eloise is directly adjacent to Breakaway’s Eloise project and the operating Eloise copper mine;
- 9,965km<sup>2</sup> of tenure in South Australia, including a 40.9% interest in the Mutooroo joint venture (Sumitomo 59.1%) which includes the Muster Dam magnetite project, 75km directly south-west of Broken Hill (JORC Inferred Resource of 1.5 billion tonnes grading 15.2% DTR magnetite<sup>1</sup>). Nearby, also in joint venture with Sumitomo, Minotaur operates the Border base metals project. In the west of South Australia, Minotaur owns the extensive Poochera Kaolin deposits and the Lake Purdilla gypsum deposit.
- 925km<sup>2</sup> of tenure in NSW, including a joint venture with Mitsubishi Materials Corporation and Mitsubishi Corporation on the Arthurville base metals project; and
- 2,115km<sup>2</sup> of tenure in central and western Victoria where a number of copper-gold targets associated with the Cambrian volcanic sequences in the Stavely Volcanic belt have been generated.

## **About Breakaway**

Breakaway has a portfolio of quality mineral exploration projects strategically located within two of Australia’s premier mineral districts – the Cloncurry District of North West Queensland and the Leinster District of Western Australia.

---

<sup>1</sup> for details refer Minotaur release to ASX dated 24 November 2011 *Maiden JORC Resource for Muster Dam Deposit*

Breakaway has been focused on the evaluation and development of its primary Eloise Copper-Gold project, located directly adjacent to Minotaur's Eloise project in Queensland and on a generative gold exploration project at Leinster. Breakaway believes that these two areas offer the best short-term opportunities for exploration success.

The Eloise Project is located 70km south-east of Cloncurry, immediately adjacent to the operating Eloise copper mine (owned by FMR Investments Pty Ltd). The project encompasses several prospect areas at different stages of evaluation, including the advanced Sandy Creek deposit and the Altia base metals deposit.

Breakaway has defined an Inferred Mineral Resource at Sandy Creek totaling 2.0Mt grading 1.32% Cu and 0.3g/t Au for 26,400 tonnes of contained copper and 21,400 ounces of contained gold.

Recent ground-based geophysics, including extensive fixed-loop electromagnetic surveys have defined a series of promising targets in the immediate vicinity of Sandy Creek with the potential to host Eloise-style copper-gold mineralisation.

Last year Breakaway secured a key joint venture agreement with leading Australian copper producer Sandfire Resources NL (ASX: SFR, Sandfire) at the Altia Base Metals Project, where Sandfire can earn an initial 60% interest by spending \$4 million on exploration over a three-year period. Through expenditure of a further \$4 million over the subsequent three years Sandfire can increase its stake to 80%.

At the Altia deposit a resource estimate was carried out by Snowden Mining Industry Consultants Pty Ltd in November 2007 and classified in accordance with the 2004 Guidelines of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. An Inferred Mineral Resource of 5.8Mt @ 4.0% Pb, 40g/t Ag and 0.5% Zn at a zero % Pb cut-off has been estimated for Lens 1 and Lens 2 of the Altia Deposit. The Altia deposit itself contains a JORC compliant Inferred Mineral Resource comprising 5.8Mt grading 4.0% Pb, 40g/t Ag and 0.5% Zn for 229,000t of contained zinc metal, 7.5Moz of contained silver and 29,000t of contained zinc.

In WA Breakaway recently developed a series of promising new generative gold exploration targets at its Leinster Gold project in the Leinster mineral district. These new prospects, which include two priority drill-ready targets, were developed through extensive reviews of the historical database and from recent Lag and rock chip sampling.

On 20 May 2013 Breakaway announced an agreement to divest its Scotia Gold project in WA to Minotaur for \$600,000.

### **Selected Conditions of the pre-Bid Acceptance Deed**

Norilsk Nickel Australia Pty Ltd (Norilsk) holds approximately 24.8% of the issued BRW shares. Norilsk has entered into an agreement with Minotaur in respect of that number of its BRW shares (Sale Shares) which constitute approximately 19.9% of the issued BRW shares, pursuant to which it agrees that it will accept Minotaur's takeover offer in respect of the Sale Shares by no later than the fifth business day after commencement of the offer period. However, Norilsk may terminate its obligation to accept Minotaur's offer if, prior to such acceptance, a third party makes a superior offer and Minotaur does not within five business days thereafter, make or announce a revised offer pursuant to which the consideration offered equals or exceeds the third-party offer. The full terms and conditions of the agreement are disclosed in the copy of the Pre-Bid Acceptance Deed lodged separately to this statement.

### **Selected Conditions of the Bid Implementation Agreement**

The offer is subject to a number of conditions which are disclosed in full in the Bid Implementation Agreement (BIA) [lodged separately to this statement](#). Conditions include but are not limited to:

- minimum acceptance condition of 90% relevant interest in BRW shares;
- no material acquisitions or disposals by BRW; and
- no material change to BRW.

A break fee of \$60,000 (based on 1% of the equity value of Breakaway over the previous six months) is payable by Breakaway in cash in the event (among other events) that the Offer is beaten by a countering offer and payable by Minotaur in the event (among other events) that Minotaur fails to proceed with the bid, except in certain circumstances.

A Bidder's Statement and Target's Statement will be sent to Breakaway shareholders in due course.

- ENDS -

**For further information, please contact:**

**Andrew Woskett**  
Managing Director  
Minotaur Exploration Limited  
Telephone: +61 8 8132 3400  
email: [awoskett@minotaurexploration.com.au](mailto:awoskett@minotaurexploration.com.au)  
[www.minotaurexploration.com.au](http://www.minotaurexploration.com.au)

**Victor Rajasooriar**  
Managing Director  
Breakaway Resources Limited  
Telephone: + 61 8 9278 6444 / +61 4880 68739  
email: [victor.rajasooriar@breakawayresources.com.au](mailto:victor.rajasooriar@breakawayresources.com.au)  
[www.breakawayresources.com.au](http://www.breakawayresources.com.au)

**For media inquiries, please contact:**

Nicholas Read – Read Corporate  
Telephone: +61 8 9388 1474  
Mobile: 0419 929 046  
email: [nicholas@readcorporate.com.au](mailto:nicholas@readcorporate.com.au)

## Forward-looking Statements Disclaimer

*Forward-looking statements include, among other things, statements regarding targets, estimates and assumptions in respect of metal production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates. Forward-looking statements are necessarily based upon a number of estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by the reporting company, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such factors include, but are not limited to: competition; mineral prices; ability to meet additional funding requirements; exploration, development and operating risks; uninsurable risks; uncertainties inherent in ore reserve and resource estimates; dependence on third party smelting facilities; factors associated with foreign operations and related regulatory risks; environmental regulation and liability; currency risks; effects of inflation on results of operations; factors relating to title to properties; native title and aboriginal heritage issues; dependence on key personnel; and share price volatility and also include unanticipated and unusual events, many of which are beyond the reporting company's ability to control or predict.*

## Competent Persons' Statements

*Information in this report that relates to Exploration Results or Mineral Resources of Minotaur Exploration Ltd is based on information compiled by Dr A. P. Belperio, who is a Director and full-time employee of the Company and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Dr Belperio has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Dr Belperio consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*Information in this report that relates to Exploration Results of Breakaway Resources Ltd is based on information compiled under the supervision of Mr Victor Rajasooriar (Managing Director), a full time employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Rajasooriar has sufficient experience relevant to the style of mineralisation and the type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Rajasooriar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*Information in this report that relates to estimation of the **Sandy Creek Mineral Resource** for Breakaway Resources Ltd was compiled by Mr Michael Andrew. Mr Andrew is a full time employee of Optiro mining consultants and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Andrew has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Andrew consents to the inclusion of this information in the form and context in which it appears.*

*Information in this report that relates to estimation of the **Altia Mineral Resource** for Breakaway Resources Ltd was compiled by Mr Ivor Jones. Mr Jones is a full time employee of Snowden Mining Industry Consultants and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Jones has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Jones consents to the inclusion of this information in the form and context in which it appears.*

Level 2, 99 Frome Street  
Adelaide SA 5000  
GPO Box 2410, Adelaide SA 5001  
Telephone 08) 8111 4000  
Facsimile 08) 8111 4099  
admin@oloughlins.com.au

**0** LAWYERS **Loughlins**

**PRE-BID ACCEPTANCE  
DEED**

**Minotaur Exploration Limited**

**Norilsk Nickel Australia Pty Ltd**



## CONTENTS

<b>1</b>	<b>INTERPRETATION .....</b>	<b>3</b>
1.1	Definitions .....	3
1.2	Interpretation .....	5
1.3	Business Day .....	6
1.4	Parties not associates.....	6
1.5	Payments.....	6
<b>2</b>	<b>ACCEPTANCE OF TAKEOVER OFFER.....</b>	<b>6</b>
2.1	Obligation to Accept.....	6
2.2	No withdrawal of acceptance .....	7
2.3	Appointment of Attorney .....	7
<b>3</b>	<b>ACKNOWLEDGEMENT .....</b>	<b>7</b>
<b>4</b>	<b>WARRANTIES .....</b>	<b>7</b>
4.1	Warranties by Seller .....	7
4.2	Warranties by the Buyer.....	8
4.3	Survival.....	8
<b>5</b>	<b>OBLIGATIONS OF SELLER .....</b>	<b>8</b>
5.1	Restrictions on Shares .....	8
5.2	Non-solicitation .....	8
<b>6</b>	<b>TERMINATION OF OBLIGATIONS IN CLAUSES 2 AND 4.....</b>	<b>9</b>
6.1	Termination .....	9
6.2	Third Party Offer – Following announcement of the Takeover Offer .....	9
6.3	No Liability.....	9
6.4	Scrip offer .....	9
<b>7</b>	<b>DISCLOSURE .....</b>	<b>10</b>
<b>8</b>	<b>NOTICES.....</b>	<b>10</b>
8.1	How to give a notice.....	10
8.2	When a notice is given .....	10
8.3	Address for notices .....	11
<b>9</b>	<b>COSTS AND STAMP DUTY .....</b>	<b>11</b>
9.1	Costs generally.....	11
9.2	Stamp duty generally .....	11

<b>10</b>	<b>GENERAL</b> .....	<b>11</b>
<b>10.1</b>	<b>Governing law and jurisdiction</b> .....	<b>11</b>
<b>10.2</b>	<b>Third Party Rights</b> .....	<b>12</b>
<b>10.3</b>	<b>Giving effect to this deed</b> .....	<b>12</b>
<b>10.4</b>	<b>Operation of this deed</b> .....	<b>12</b>
<b>10.5</b>	<b>Waiver of rights</b> .....	<b>12</b>
<b>10.6</b>	<b>Severance</b> .....	<b>12</b>
<b>10.7</b>	<b>Amendment</b> .....	<b>12</b>
<b>10.8</b>	<b>Assignment</b> .....	<b>12</b>
<b>10.9</b>	<b>Counterparts</b> .....	<b>13</b>

# PRE-BID ACCEPTANCE DEED

## PARTIES:

<b>Name:</b>	Minotaur Exploration Limited	<b>Buyer</b>
<b>ABN:</b>	35 108 483 601	
<b>Address:</b>	Level 1, 8 Beulah Road Norwood SA 5067	

<b>Name:</b>	Norilsk Nickel Australia Pty Ltd	<b>Seller</b>
<b>ABN:</b>	71 076 976 906	
<b>Address:</b>	Level 1, 88 Colin Street West Perth WA 6005	

## RECITALS

- A. At the time of this deed, the Seller is the legal and beneficial owner of 107,779,198 fully paid ordinary shares in the Company.
- B. The Seller agrees to sell, and the Buyer agrees to purchase, the Sale Shares on the terms and conditions set out in this deed.

## OPERATIVE PROVISIONS

---

### 1 INTERPRETATION

#### 1.1 Definitions

The following definitions apply in this deed.

**Agreed Bid Terms** means the terms set out in **Schedule 1** of this deed.

**Associate** includes:

- (a) in respect of the Buyer, any person who is a wholly-owned subsidiary of the Buyer; and
- (b) in any other case, any person who is an "associate" under section 12 of the Corporations Act.

**ASX** means the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691).

**Bid Conditions** means the conditions set out in **Schedule 2**.

**Bid Implementation Agreement** means the agreement so entitled between the Company and the Buyer dated on or around the time of this deed.

**Business Day** means a day on which:

- (a) banks are open for general banking business in Perth, Western Australia and Adelaide, South Australia, excluding Saturdays and Sundays; and

(b) ASX is open for trading in securities.

**Buyer Share** means a fully paid ordinary share in the capital of Buyer.

**Company** means Breakaway Resources Limited ABN 16 061 595 051.

**Company Shareholder** means a holder of a Share.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Encumbrance** means any:

- (a) mortgage, lien, charge, pledge, claim, encumbrance or other security interest; or
- (b) option or other third party right.

**End Date** means the date 30 days after the date of this deed.

**Offer Period** means the period of time during which offers under a Takeover Offer remain open for acceptance.

**Revised Proposal** means an increase by Buyer of the Takeover Offer Price such that the Takeover Offer Price equals or exceeds the Third Party Offer Price under the Third Party Offer, which Third Party Offer has not been withdrawn or otherwise terminated.

**Rights** means all accretions, rights or benefits of whatever kind attaching to or arising from the Shares including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions.

**Sale Shares** means 86,536,000 of the Shares held by the Seller at the time of this deed.

**Share** means a fully paid ordinary share in the Company.

**Superior Third Party Offer** means a takeover bid pursuant to Chapter 6 of the Corporations Act for all issued Shares, or a merger scheme of arrangement pursuant to Part 5.1 of the Corporations Act, which:

- (a) provides for a Third Party Offer Price which exceeds the Takeover Offer Price under a Takeover Offer or (if applicable) a Revised Proposal;
- (b) is recommended by the board of directors of Company in preference to a Takeover Offer or (if applicable) a Revised Proposal;
- (c) is either unconditional or subject only to conditions which are no less favourable to Company Shareholders than the Bid Conditions which remain outstanding under a Takeover Offer or (if applicable) a Revised Proposal;
- (d) to the extent that the consideration comprises or includes cash, is sufficiently funded by available cash or adequate financing arrangements are in place to ensure that the third party will have the funds necessary to pay the cash consideration to all Company Shareholders; and
- (e) has not been solicited or facilitated by Seller or any of its Associates.

**Takeover Offer** means an offer by the Buyer or one of its Associates under a takeover bid pursuant to Chapter 6 of the Corporations Act to acquire all the Shares on terms no less favourable to the holders of the Shares than the Agreed Bid Terms.

**Takeover Offer Price** means:

- (a) the price per Share offered under a Takeover Offer, or

- (b) the value per Share offered under a Takeover Offer (as determined in accordance with **clause 6.4(b)** where the consideration consists in whole or in part of a non-cash component) allowing for the value of Rights that are retained by Company Shareholders under the terms of the Takeover Offer and not passed onto the person making the Takeover Offer, calculated per Share (with the value of any Rights taking a non-cash form being determined in accordance with **clause 6.4(b)**), and includes any variation thereof.

**Third Party Offer Price** means:

- (a) the highest price per Share offered under a Third Party Offer, or
- (b) the highest value per Share offered under a Third Party Offer (as determined in accordance with **clause 6.4(b)** where the consideration consists in whole or part of a non-cash component) allowing for the value of Rights that are retained by Company Shareholders under the terms of the Third Party Offer and not passed onto the person making the Third Party Offer, calculated per Share (with the value of any Rights taking a non-cash form being determined in accordance with **clause 6.4(b)**).

## **1.2 Interpretation**

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise:

- (a) The singular includes the plural, and the converse also applies.
- (b) A gender includes all genders.
- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
- (e) A reference to a clause or schedule is a reference to a clause of or schedule to this deed.
- (f) A reference to an agreement or document (including a reference to this deed) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this deed or that other agreement or document.
- (g) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.
- (h) A reference to a party to this deed or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (i) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (j) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.

- (k) A reference to an agreement or deed includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a document includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.
- (l) A reference to dollars and \$ or A\$ is to Australian currency.
- (m) All references to time are to Perth time.
- (n) An expression defined in, or given a meaning for the purpose of, the Corporations Act in a context similar to that in which the expression is used in this deed has the same meaning or definition.
- (o) Mentioning anything after includes or including, or similar expressions, does not limit what else might be included.
- (p) Nothing in this deed is to be interpreted against a party solely on the ground that the party put forward this deed or a relevant part of it.

### **1.3 Business Day**

- (a) Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the following Business Day.
- (b) A Business Day will end at 11.59pm Perth time.

### **1.4 Parties not associates**

Despite anything in this deed, the parties are not to be regarded as an associate of each other.

### **1.5 Payments**

Any payments to be made under this deed must be made without deduction, set off or counterclaim in immediately available funds by bank cheque or electronic transfer.

---

## **2 ACCEPTANCE OF TAKEOVER OFFER**

### **2.1 Obligation to Accept**

In consideration of:

- (a) the mutual promises set out in this deed; and
- (b) the Buyer paying the Seller \$1.00 (receipt of which is acknowledged by the Seller),

if the Buyer publicly announces the Takeover Offer prior to the End Date, the Seller undertakes to:

- (c) irrevocably accept the Takeover Offer in respect of the Sale Shares by no later than 5.00pm on the date which is 5 Business Days after the commencement of the Offer Period or such later date as Buyer may nominate by notice in writing to Seller; and
- (d) do everything (including executing any document and making any election) that the Buyer reasonably requires, to give full effect to the Seller's obligations to accept the Takeover Offer in respect of the Sale Shares.

## 2.2 No withdrawal of acceptance

The Seller:

- (a) irrevocably waives any rights it may have under section 650E of the Corporations Act, in the event that the Buyer varies the Takeover Offer; and
- (b) covenants not to exercise any rights it may have to withdraw its acceptance of the Takeover Offer in respect of the Sale Shares, including under section 650E of the Corporations Act.

## 2.3 Appointment of Attorney

To secure the performance of the Seller's obligations under this **clause 2**, the Seller irrevocably appoints any director for the time being of the Buyer to be its attorney in its name and on its behalf to execute any acceptance forms and to do such other acts and things as may be necessary to accept (or procure the acceptance) of a Takeover Offer in respect of the Sale Shares in accordance with and as contemplated by the terms of this deed. This appointment will only take effect if the Seller fails to comply with its obligations under this **clause 2**.

---

## 3 ACKNOWLEDGEMENT

Seller acknowledges and agrees that:

- (a) the Buyer does not undertake to make, and this deed does not constitute a proposal to make, a Takeover Offer;
- (b) the Buyer is permitted to vary the terms and conditions of the Takeover Offer (if made) in accordance with the Corporations Act, provided that the varied terms and conditions are no less favourable to the holders of the Shares than the Agreed Bid Terms;
- (c) subject to the Corporations Act and **clause 3(b)**, the Buyer has the right to delete, waive or vary any conditions in the Takeover Offer, declare the Takeover Offer unconditional or extend it at any time; and
- (d) neither the Buyer nor any associate of the Buyer has given, offered to give or agreed to give a benefit to the Seller which will not be available to all holders of the Shares.

---

## 4 WARRANTIES

### 4.1 Warranties by Seller

Seller represents and warrants to the Buyer and its Associates that each of the following statements is true and correct and will be true and correct at all times up to and including the date of acceptance of a Takeover Offer under **clause 2**:

- (a) each of the Sale Shares is fully paid up;
- (b) Seller is the legal owner of the Sale Shares with full power to transfer good title to the Buyer (or its Associate);
- (c) on acceptance of a Takeover Offer under **clause 2**, the Sale Shares will be free from Encumbrances;

- (d) Seller has full power and authority to enter into this deed and perform its obligations under this deed;
- (e) the entry into and performance by the Seller of this deed does not violate, breach or result in a contravention of any law, regulation or authorisation; and
- (f) by entering into and performing its obligations under this deed Seller does not breach any trust or any agreement or arrangement with any third party.

#### **4.2 Warranties by the Buyer**

The Buyer represents and warrants to Seller that each of the following statements is true and correct and will be true and correct on the date of acceptance of a Takeover Offer under **clause 2**:

- (a) Buyer (or its Associate) has full power and authority to enter into and perform its obligations under this deed;
- (b) by entering into and performing its obligations under this deed Buyer (or its Associate) does not breach any agreement or arrangement with any third party or the terms of its constitution or other constituent documents; and
- (c) the entry into and performance by it (or its Associate) of this deed does not violate, breach or result in a contravention of any law, regulation or authorisation.

#### **4.3 Survival**

The provisions of this **clause 3** remain in full force and effect after the date of acceptance under **clause 2**.

---

## **5 OBLIGATIONS OF SELLER**

### **5.1 Restrictions on Shares**

Seller covenants not to dispose of, transfer, encumber or otherwise deal with any of the Sale Shares or any interests in the Sale Shares, except:

- (a) if this clause is terminated in accordance with **clause 6**; or
- (b) to the Buyer (or an Associate of the Buyer) in accordance with this deed.

### **5.2 Non-solicitation**

- (a) Seller agrees that, from the date of this deed until the end of the Offer Period, it and each of its Associates, officers and advisors will not approach, solicit or encourage inquiries from, or initiate or encourage discussions with, any person (excluding the Buyer and its Associates, officers and advisors) in relation to a proposal for the acquisition of an interest in any or all of the Sale Shares.
- (b) Seller agrees to promptly (and in any event within 24 hours) notify the Buyer from the date of this deed until the end of the Offer Period of any conversation, contact or proposal of which it or any of its Associates, officers or advisors become aware in relation to a proposal of the kind referred to in **clause 5.2(a)**. As part of such notification, Seller must notify the Buyer of:
  - (i) the date of the conversation, contact and/or proposal; and



- (ii) to the extent that it relates to the Sale Shares, the commercial nature of the conversation, contact and/or proposal to the extent it is relevant to the subject matter of this deed.

---

## **6 TERMINATION OF OBLIGATIONS IN CLAUSES 2 AND 4**

### **6.1 Termination**

The obligations set out in **clauses 2 and 5** terminate automatically and will cease to be of any effect, without any further action being required of either party, if:

- (a) a Takeover Offer has not been made by the End Date or having been made is withdrawn before the End Date;
- (b) the Takeover Offer lapses or expires because a defeating condition has not been fulfilled at the end of the Offer Period;
- (c) the Bid Implementation Agreement is terminated; or
- (d) the offers under a Takeover Offer have been declared unconditional (or the Buyer has notified that all of the conditions have been satisfied) and the Sale Shares have been transferred to the Buyer as a result of the Seller's acceptance referred to in **clause 2.1(c)**.

### **6.2 Third Party Offer – Following announcement of the Takeover Offer**

Seller may, at any time prior to the Seller accepting the Takeover Offer under **clause 2.1(c)**, terminate the obligations set out in **clause 2** by notice in writing to the Buyer if:

- (a) a Superior Third Party Offer is made; and
- (b) the Buyer (or an Associate of the Buyer) has not within 5 Business Days of the Superior Third Party Offer having been made, made or announced a Revised Proposal.

### **6.3 No Liability**

If the obligations of Seller set out in **clause 2** terminate, neither Seller nor Buyer is liable to the other party for any damages, costs, expenses, losses, liabilities, actions, claims or demands arising out of, or in connection with, this deed, save for antecedent breach of this deed.

### **6.4 Scrip offer**

- (a) In the event that the Takeover Offer Price or the Third Party Offer Price is a consideration which consists wholly or partly of a security which is in a class which is quoted on a public stock exchange (**Listed Security**), the value of the securities shall be calculated using the volume weighted average sale price of that security over the preceding 5 days on which that security was publicly traded.
- (b) In the event that the Third Party Offer Price is a consideration which does not consist wholly of cash, for the purposes of determining the value of the Third Party Offer Price, the value of the non-cash component of the consideration (other than Listed Securities which are to be valued in accordance with **clause 6.4(a)**) shall be agreed between the Seller and the Buyer and failing agreement within three Business Days, shall be determined by an independent expert appointed by agreement between the Seller and the Buyer and failing agreement between them the expert to be appointed at the request of the Seller or the

Buyer by the President for the time being of the Institute of Chartered Accountants Australia or his or her nominee. The independent expert shall act as an expert and not as an arbitrator and its decision as to the value of the consideration shall be binding on the Seller and the Buyer. The costs of the independent expert shall be borne equally between the Seller and the Buyer.

---

## **7 DISCLOSURE**

- (a) The parties acknowledge that, within 2 Business Days of the date of this deed, the Buyer will give to the Company and the ASX a notice of initial substantial shareholding (ASIC Form 603) in relation to the Sale Shares (which will attach a copy of this deed) as required under the Corporations Act.
- (b) Subject to paragraph (a), the contents of this deed and the negotiations which resulted in this deed are confidential and must not be disclosed to any person except as required by law or the ASX Listing Rules.
- (c) The Seller acknowledges that, pending the lodgement of the notice pursuant to paragraph (a) above, it will be in possession of inside information in respect of the Company, and that it is aware of and agrees to comply with the provisions of the Corporations Act relating to such inside information.

---

## **8 NOTICES**

### **8.1 How to give a notice**

A notice, consent or other communication under this deed is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) given in one of the following ways:
  - (i) sent by prepaid mail (by airmail, if the addressee is overseas) or delivered to that person's address;
  - (ii) sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was sent in full without error;
  - (iii) given personally; or
  - (iv) given in any other manner permitted by law.

### **8.2 When a notice is given**

A notice, consent or other communication that complies with this **clause 7** is conclusively regarded as given and received:

- (a) if it is sent by fax or delivered, if received:
  - (i) by 5.00 pm (local time in the place of receipt) on a Business Day (in the place of receipt) – on that day; or
  - (ii) after 5.00 pm (local time in the place of receipt) on a Business Day (in the place of receipt), or on a day that is not a Business Day (in the place of receipt) – on the next Business Day (in the place of receipt);

- (b) if it is sent by mail, when it would be delivered in the ordinary course of post, but in any event:
  - (i) not later than five Business Days after posting within Australia; or
  - (ii) not later than seven Business Days after posting to or from a place outside Australia;
- (c) if given personally, when actually received by that person; and
- (d) if it is given in any other manner permitted by law, when actually received by that person, unless a later time of receipt is specified in it.

### **8.3 Address for notices**

A person's mail address, email address and fax number are those set out below, or as the person notifies the sender:

#### **Buyer**

Address: Level 1, 8 Beulah Road  
Norwood SA 5067

Fax number: +61 8 8132 3499

Email: awoskett@minotaurexploration.com.au

Attention: Andrew Woskett  
Managing Director

#### **Seller**

Address: Level 1, 88 Colin Street  
West Perth WA 6005

Fax number: +8 9426 0137

Email: Vaughan.fulmer@nornik.com.au

Attention: Company Secretary

---

## **9 COSTS AND STAMP DUTY**

### **9.1 Costs generally**

Subject to **clause 9.2** and except as otherwise expressly provided in this deed, each party must pay its own expenses incurred in negotiating, preparing, executing, completing and carrying into effect this deed.

### **9.2 Stamp duty generally**

The Buyer must indemnify the Seller against, and must pay the Seller on demand the amount of, any duty that is payable on or in relation to this deed and the transactions that it contemplates.

---

## **10 GENERAL**

### **10.1 Governing law and jurisdiction**

- (a) This deed is governed by the laws of Western Australia.

- (b) Each party submits to the jurisdiction of the courts of that State, and of any court that may hear appeals from any of those courts, for any proceedings in connection with this deed.

## **10.2 Third Party Rights**

If a provision of this deed (including **clause 4.1**) is expressed to benefit an Associate of the Buyer (**Beneficiary**), the Seller agrees that the Buyer holds that benefit in its own capacity and as trustee for the Beneficiary, and may enforce this deed on their behalf and for their benefit.

## **10.3 Giving effect to this deed**

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this deed.

## **10.4 Operation of this deed**

- (a) This deed contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this deed and has no further effect.
- (b) Any provision of this deed which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this deed enforceable, unless this would materially change the intended effect of this deed.

## **10.5 Waiver of rights**

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right or as an estoppel precluding enforcement of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

## **10.6 Severance**

If at any time any provision of this deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this deed; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this deed.

## **10.7 Amendment**

This deed can only be amended or replaced by another document signed by the parties.

## **10.8 Assignment**

Neither party may assign or otherwise transfer any of its rights arising under this deed without the prior written consent of the other party.

## **10.9 Counterparts**

This deed may be executed in any number of counterparts.

---

## **SCHEDULE 1 – AGREED BID TERMS**

### **1 Offer Price**

Buyer offers to each Company Shareholder one (1) Buyer Share for every ten (10) Shares held.

### **2 Conditions**

The offer by Buyer under the Takeover Offer may be subject only to conditions that are no less favourable to Company Shareholders than the Bid Conditions.

---

## SCHEDULE 2 – BID CONDITIONS

### 2.1 The Offer is subject to the following conditions:

(a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have Relevant Interests is at least 90% of all the Target Shares.

(b) No prescribed occurrences

None of the following events happens during the period beginning on the date the bidder's statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - (A) enters into a buy-back agreement; or
  - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares (other than Target Shares upon the exercise of Target Options on issue at the date of the Bid Implementation Agreement) or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target,

provided that it will not include any occurrence:

- (xiv) fairly disclosed in writing to Bidder on or before the date of the Bid Implementation Agreement (including as a result of disclosures made to ASX);
  - (xv) occurring as a result of any matter, event or circumstance required by the Bid Implementation Agreement, the Bid or the transactions contemplated by them; or
  - (xvi) approved in writing by Bidder.
- (c) No prescribed occurrences between Announcement Date and service of the bidder's statement on Target.

None of the events listed in sub-sections (i) to (xiii) of section 2.1(b) happens during the period beginning on the Announcement Date and ending at the end of the day before the bidder's statement is given to Target.

- (d) No change of control rights

During the Condition Period, there is no person having any rights, being entitled to have any rights, alleging an entitlement, or expressing or announcing an intention (whether or not that intention is stated to be a final or determined decision of that person) (in all cases whether subject to conditions or not), as a result of any change of control event in respect of the Company (including the Buyer acquiring shares in the Company) or any of its subsidiaries or assets, to:

- (i) terminate or alter any material contractual relations between any person and the Company or any of its subsidiaries;
- (ii) acquire or require the termination, modification or disposal (or offer to dispose) of any material interest or asset, corporate body, joint venture or other entity; or
- (iii) accelerate or adversely modify the performance of any obligations of the Company or any of its subsidiaries under any material agreements, contracts or other legal arrangements.

- (e) Access to information

During the Condition Period, the Target promptly, and in any event within 2 Business Days, provides to the Bidder all information which the Bidder may from time to time reasonably request, whether or not generally available (within the meaning of section 1042C of the Corporations Act) relating to the Target or any of its subsidiaries, or their respective assets, liabilities or operation provided that:

- (i) to the extent required pursuant to the exception in clause 5.6 of the Bid Implementation Agreement to the no-talk restriction in clause 5.3 of the Bid Implementation Agreement, the Target is under no obligation to disclose to the Bidder any communications with any third party other than to comply with the matching rights provisions under clause 5.8(a); and
- (ii) the Bidder acknowledges that to the extent that some or all of the information provided may be "inside information" within the meaning of Part 7.10, Division 3 of the Corporations Act, the Target is under no obligation to provide that information to Bidder until it has been



- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership or dual listed company structure;
  - (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to:
    - (A) any capital expenditure, or
    - (B) any liability,
    - (C) for one or more related items of greater than \$5,000.
- (i) No material failings in filings
- Bidder does not become aware, during the Condition Period, that any document filed by or on behalf of Target with ASIC or any other Public Authority contains a statement which is incorrect or misleading in any material particular or from which there is a material omission which would have or could be reasonably expected to have a material adverse effect on the value of Target.
- (j) No break fees
- (i) Subject to section 2.1(i)(ii) of this Schedule 2, during the Condition Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
    - (A) a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
    - (B) any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
  - (ii) Section 2.1(i)(i) of this Schedule 2 does not apply to a payment, benefit or agreement:
    - (A) for providing professional advisory services to Target;
    - (B) which is approved in writing by Bidder;
    - (C) which is contemplated by the Bid Implementation Agreement; or
    - (D) which is made to, provided to, owed by or made with Bidder.
- (k) Conduct of Target's business
- Except as contemplated by the Bid Implementation Agreement, during the Condition Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

disclosed to ASX or is no longer "inside information" within the meaning of Part 7.10, Division 3 of the Corporations Act.

(f) No action by Public Authority adversely affecting the Bid

During the Condition Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (ii) no action or investigation is instituted, or threatened by any Public Authority with respect to Target or any subsidiary of Target; or
- (iii) no application is made to any Public Authority (other than an application by Bidder or any company within the Bidder Group or an application under section 657G of the Corporations Act),

in consequence of, or in connection with, the Bid, which restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the Bid or the completion of any transaction contemplated by the bidder's statement or seeks to require the divestiture by Bidder of any Target Shares, or the divestiture of any assets by Target or by any subsidiary of Target or by any company within the Bidder Group.

(g) Approvals by Public Authorities

During the Condition Period, all Approvals or consents which are required by law or any Public Authority or imposed by ASX, ASIC or the Takeovers Panel:

- (i) to permit the Offers to be made to and accepted by Target Shareholders; or
- (ii) as a result of the Offers or the successful acquisition of the Target Shares and which are necessary for the continued operation of the business of Target and its subsidiaries or of Bidder and its subsidiaries,

are granted, given, made or obtained on an unconditional basis and remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those Approvals.

(h) No material acquisitions, disposals, etc.

Except as notified in writing by the Target to the Bidder (including as contemplated by the Bid Implementation Agreement) or as disclosed to the ASX prior to the Announcement Date, none of the following events occur during the Condition Period without the written consent of Bidder (not to be unreasonably withheld or delayed):

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more entities, businesses or assets (or an interest in one or more entities, businesses or assets) for an amount in aggregate greater than \$5,000;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of, or creates, or offers to create an equity interest in one or more entities, businesses or assets (or an interest in one or more entities, businesses or assets) for an amount in aggregate greater than \$20,000;

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes, other than the issue of Target Shares upon the exercise of Target Options on issue at the date of the Bid Implementation Agreement;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money;
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has materially breached, terminated or materially varied any material agreement to which Target or a subsidiary of Target is a party;
- (viii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (ix) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date);
- (x) conducts its business otherwise than in the ordinary course;
- (xi) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xii) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the *Australian Securities and Investments Commission Act 2001* (Cth) or any corresponding legislation.

(l) No material adverse change to Target

During the Condition Period, no event, change or condition occurs, is discovered by or becomes known to the Bidder (whether or not it becomes public) where that event, change or condition has had, or could reasonably be expected to have, a materially adverse effect on the:

- (i) assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them; or
- (ii) the status or terms of arrangements entered into by the Target or any of its subsidiaries; or
- (iii) the status or terms of (or rights attaching to) any material Approvals from Public Authorities applicable to Target or any of its subsidiaries,

including without limitation:

- (iv) any creditor demanding repayment of a debt of \$20,000 or more; and
- (v) any person accelerating or adversely modifying the performance of any obligations of Target or any of its subsidiaries under any material agreements, contracts or other legal arrangements,

but does not include any event, change or condition:

- (vi) fairly disclosed in writing to Bidder on or before the date of the Bid Implementation Agreement (including as a result of disclosures made to ASX);
- (vii) occurring as a result of any matter, event or circumstance required by the Bid Implementation Agreement, the Bid or the transactions contemplated by them; or
- (viii) approved in writing by Bidder.

(m) Target Options

During the Condition Period either all Target Options have been exercised, cancelled or transferred to Bidder or agreement has been reached between Bidder, Target and the holders of the Target Options to do so.

## 2.2 Definitions

**Announcement Date** means the date of the joint announcement agreed by the Bidder and Target in relation to the Bid by Bidder for Target.

**Approval** means a licence, tenement, authority, consent, approval, order, exemption, waiver, ruling or decision.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means a takeover bid under Chapters 6 to 6C of the Corporations Act under which Bidder offers each Target Shareholder one (1) Bidder Share for every ten (10) Target Shares held.

**Bid Implementation Agreement** means the bid implementation agreement entered into by Bidder and Target on or prior to the Announcement Date.

**Bidder** means Minotaur Exploration Limited (ABN 35 108 483 601).

**Bidder Group** means Bidder and its related bodies corporate (as defined in the Corporations Act).

**Bidder Share** means a fully paid ordinary share in the capital of Bidder.

**Condition Period** means the period beginning on the Announcement Date and ending at the end of the Offer Period.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Encumbrance** means:

- (a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement;
- (b) a notice under section 255 of the *Income Tax Assessment Act 1936* (Cth), subdivision 260-A in schedule 1 to the *Taxation Administration Act 1953* (Cth) or any similar legislation;
- (c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money);
- (d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property;
- (e) an agreement to create anything referred to above or to allow any of them to exist; or
- (f) a security interest as defined in section 12 of the *Personal Properties Securities Act 2009* (Cth).

**Offer** means the offer to acquire Target Shares to be made by Bidder to Target Shareholders under the Bid.

**Offer Period** means the period during which the Offer is open for acceptance.

**Public Authority** means any government or any governmental, semi-governmental, administrative, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

**Relevant Interest** has the same meaning as given in sections 608 and 609 of the *Corporations Act*.

**Target** means Breakaway Resources Limited (ABN 16 061 595 051).

**Target Options** means options to subscribe for Target Shares.

**Target Shares** means fully paid ordinary shares issued in the capital of Target.

Executed as a deed on \_\_\_\_\_ 2013.

Executed by **MINOTAUR EXPLORATION LIMITED**  
**ABN 35 108 483 601** in accordance with section  
127 of the Corporations Act 2001 (Cth) by or in  
the presence of:

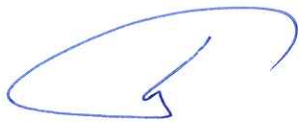
\_\_\_\_\_  
Director Signature

\_\_\_\_\_  
Secretary/Director Signature

\_\_\_\_\_  
Name of Director (print)

\_\_\_\_\_  
Name of Secretary/Director (print)

Executed by **NORILSK NICKEL AUSTRALIA PTY**  
**LTD ABN 71 076 976 906 IN** accordance with  
section 127 of the Corporations Act 2001 (Cth)  
by or in the presence of:



\_\_\_\_\_  
Director Signature



\_\_\_\_\_  
Secretary/Director Signature

ALEXANDER PEROV

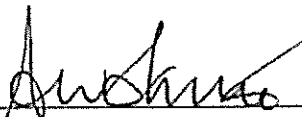
\_\_\_\_\_  
Name of Director (print)

VAUGHAN J FULMER

\_\_\_\_\_  
Name of Secretary/Director (print)

Executed as a deed on 12 July 2013.

Executed by **MINOTAUR EXPLORATION LIMITED**  
**ABN 35 108 483 601** in accordance with section  
127 of the Corporations Act 2001 (Cth) by or in  
the presence of:

  
\_\_\_\_\_  
Director Signature

  
\_\_\_\_\_  
Secretary/Director Signature

ANDREW WOSKETT  
\_\_\_\_\_  
Name of Director (print)

ANTONIO BELFERIO  
\_\_\_\_\_  
Name of Secretary/Director (print)

Executed by **NORILSK NICKEL AUSTRALIA PTY**  
**LTD ABN 71 076 976 906** IN accordance with  
section 127 of the Corporations Act 2001 (Cth)  
by or in the presence of:

\_\_\_\_\_  
Director Signature

\_\_\_\_\_  
Secretary/Director Signature

\_\_\_\_\_  
Name of Director (print)

\_\_\_\_\_  
Name of Secretary/Director (print)

# **BID IMPLEMENTATION AGREEMENT**

**Breakaway Resources Limited**

**Minotaur Exploration Limited**

Ref: PAL:BS:130829  
Doc ref: 1463481

50 Kings Park Road  
West Perth WA 6005  
T: +61 8 9216 7100  
[www.allionlegal.com](http://www.allionlegal.com)





## CONTENTS

<b>1</b>	<b>THE BID</b> .....	<b>1</b>
1.1	The Bid .....	1
1.2	Bidder may use subsidiary .....	1
1.3	Target's assessment of the Bid.....	1
<b>2</b>	<b>FACILITATING THE BID</b> .....	<b>2</b>
2.1	Reasonable access.....	2
2.2	Consultation regarding documents .....	3
2.3	Early despatch of offers.....	3
2.4	Target's Statement.....	3
2.5	Indicative timetable .....	3
2.6	Conduct of business .....	3
2.7	Target Promote the Bid .....	3
2.8	Bid Conditions.....	4
2.9	Target Options .....	4
2.10	Board appointments .....	4
2.11	Termination of employment or redundancy.....	5
<b>3</b>	<b>TAKEOVER OFFER</b> .....	<b>5</b>
3.1	Variation.....	5
3.2	Waiver of conditions and extension.....	5
<b>4</b>	<b>COMPENSATING AMOUNT</b> .....	<b>6</b>
4.1	Undertaking given by Target.....	6
4.2	Undertaking given by Bidder .....	6
4.3	Exception.....	7
4.4	Compensating Amount.....	7
4.5	Acknowledgments.....	7
4.6	Warranty .....	7
4.7	Demand for payment .....	7
4.8	Compliance with law .....	8
4.9	Fiduciary exceptions.....	8
<b>5</b>	<b>EXCLUSIVITY</b> .....	<b>8</b>
5.1	Cease existing discussions .....	8
5.2	No-shop restriction .....	8



5.3	No-talk restriction .....	9
5.4	Compliance with law .....	9
5.5	Disclosure of Competing Proposal.....	9
5.6	Exceptions .....	10
5.7	Normal provision of information .....	10
5.8	Matching Right.....	10
6	<b>FY13 BUDGETS.....</b>	<b>11</b>
7	<b>WARRANTIES.....</b>	<b>11</b>
8	<b>ADDITIONAL WARRANTIES BY TARGET .....</b>	<b>12</b>
9	<b>ADDITIONAL WARRANTIES FROM BIDDER .....</b>	<b>13</b>
10	<b>ANNOUNCEMENTS .....</b>	<b>15</b>
10.1	No Announcement .....	15
10.2	Notice of Announcement .....	15
10.3	Target announcement in respect of non-related matters.....	15
11	<b>TERMINATION .....</b>	<b>15</b>
11.1	Termination rights.....	15
11.2	Termination by Bidder.....	16
11.3	Termination by Target.....	16
11.4	Effect of termination .....	16
12	<b>AMENDMENT AND ASSIGNMENT .....</b>	<b>16</b>
12.1	Amendment.....	16
12.2	Assignment.....	16
13	<b>GENERAL .....</b>	<b>17</b>
13.1	Governing law.....	17
13.2	Liability for expenses.....	17
13.3	Waiver of rights .....	17
13.4	No partnership or agency .....	17
13.5	Operation of this document .....	17
13.6	GST.....	17
13.7	No merger .....	18
13.8	Time of the essence.....	18
13.9	Notices .....	18
13.10	Counterparts.....	19
14	<b>INTERPRETATION.....</b>	<b>19</b>
14.1	Definitions .....	19



<b>14.2</b>	<b>Rules for interpreting this document .....</b>	<b>24</b>
<b>2.1</b>	<b>The Offer is subject to the following conditions: .....</b>	<b>26</b>
<b>2.2</b>	<b>Definitions .....</b>	<b>31</b>
<b>3.1</b>	<b>Offer Price .....</b>	<b>33</b>
<b>3.2</b>	<b>Conditions .....</b>	<b>33</b>
<b>4.1</b>	<b>Target Shares .....</b>	<b>34</b>
<b>4.2</b>	<b>Target Options .....</b>	<b>34</b>
<b>4.3</b>	<b>Bidder Shares.....</b>	<b>34</b>
<b>4.4</b>	<b>Bidder Options.....</b>	<b>34</b>



# BID IMPLEMENTATION AGREEMENT

## PARTIES:

<b>Name:</b>	Minotaur Exploration Limited	<b>Bidder</b>
<b>ABN:</b>	35 108 483 601	
<b>Address:</b>	Level 1, 8 Beulah Road Norwood SA 5067	

<b>Name:</b>	Breakaway Resources Limited	<b>Target</b>
<b>ABN:</b>	16 061 595 051	
<b>Address:</b>	Unit 14, 531 Hay Street Subiaco WA 6008	

---

## 1 THE BID

### 1.1 The Bid

- (a) Bidder agrees to make the Bid.
- (b) Bidder and Target agree to make the Agreed Announcement to ASX as soon as practicable after the parties have executed this document.

### 1.2 Bidder may use subsidiary

- (a) Bidder may satisfy its obligations under **clause 1.1** by causing a wholly-owned subsidiary to do the things referred to in **clause 1.1(a)**. If Bidder does that, then references to:
  - (i) the Bid are references to the Bid by the subsidiary; and
  - (ii) Bidder making the Bid are references to Bidder causing the subsidiary to make the Bid.
- (b) If **clause 1.2(a)** applies, Bidder:
  - (i) must procure that its relevant subsidiary performs Bidder's obligations under this document; and
  - (ii) guarantees to Target the performance of those obligations by that subsidiary.

### 1.3 Target's assessment of the Bid

Target represents and warrants to Bidder that:

- (a) the Target Board has met and considered the possibility of Bidder agreeing to make the Bid; and



- (b) all of the members of the Target Board have informed Target that, if Bidder complies with **clause 1.1**:
  - (i) the Target Board will unanimously recommend that in the absence of a Superior Proposal for Target, Target Shareholders accept the offers to be made to them under the Bid; and
  - (ii) each member of the Target Board will:
    - (A) accept, or procure the acceptance of, each Bid Offer in respect of the Target Shares that they hold or in which they otherwise have a Relevant Interest; and
    - (B) in addition to their obligations under **clause 1.3(b)(ii)(A)**, contemporaneously with the making of the Agreed Announcement under **clause 1.1(b)**, publically state their intention to accept or procure the acceptance of, the Bid Offer in respect of all the Target Shares that they hold or in which they otherwise have a Relevant Interest in the absence of a Superior Proposal for Target.
- (c) A recommendation of the Target Board will for the purposes of this document be deemed to be unanimous if all Target Directors vote in favour of the resolution other than those precluded from doing so because of a material personal interest or some other actual or potential conflict of interest. Target represents and warrants that, as at the date of this document, it is not aware of any of its Directors having any such material personal interest or other actual or potential conflict of interest.

---

## 2 FACILITATING THE BID

### 2.1 Reasonable access

To the extent reasonably required in connection with the Bid, during the Exclusivity Period, each party will use its reasonable endeavours to provide the other party with access to:

- (a) its books and records;
- (b) any information reasonably requested by the other party; and
- (c) its senior management, external auditors and accountants and other advisers,

subject to any existing confidentiality obligations owed to third parties or applicable privacy laws and provided that such access is reasonably necessary and does not place an unreasonable burden on the ability of a party to run its business.

All information provided under this document is subject to the terms of the Confidentiality Deed. For the avoidance of doubt, nothing in this document or the Confidentiality Deed restricts any party from including any information in the Bidder's Statement or Target's Statement for the purpose of, and only to the extent reasonably necessary for, complying with the Corporations Act, the ASX Listing Rules or any other applicable law and listing rules provided always that each, to the extent reasonably practicable, consults in good faith with the other party as to the form and content of any such disclosures before that information is disclosed in that Bidder's Statement or Target's Statement.



## 2.2 Consultation regarding documents

- (a) Bidder will give Target a reasonable opportunity (as set out in the indicative timetable in **Schedule 1**) to review an advanced draft of the Bidder's Statement in respect of the Bid, and will consult in good faith with Target with respect to any comments Target may have on the Bidder's Statement.
- (b) Target will give Bidder a reasonable opportunity (as set out in the indicative timetable in **Schedule 1**) to review an advanced draft of the Target's Statement in respect of the Bid, and will consult in good faith with Bidder with respect to any comments Bidder may have on that Target's Statement.

## 2.3 Early despatch of offers

- (a) For the purposes of item 6 in section 633(1) of the Corporations Act and subject to complying with **clause 2.3(b)**, Target agrees that offers under the Bid may be sent to the holders of Target Shares on the day on which the finalised Bidder's Statement for the Bid is sent to Target or within 28 days after that day.
- (b) **Clause 2.3(a)** is subject to Bidder providing Target with a final draft of its Bidder's Statement for review not less than 3 Business Days before it is lodged with ASIC under item 2 of section 633(1) of the Corporations Act.

## 2.4 Target's Statement

Target must use its reasonable endeavours to despatch the Target's Statement to Target Shareholders as soon as practicable after the Bidder's Statement in respect of the Bid is sent to Target Shareholders.

## 2.5 Indicative timetable

Without prejudice to the remainder of the obligations contained in this **clause 2**, each party agrees to use their respective reasonable endeavours to comply with the indicative timetable set out in **Schedule 1**.

## 2.6 Conduct of business

During the Exclusivity Period:

- (a) Target must carry on its business in accordance with normal and prudent practice and in the ordinary course. For the purposes of this **clause 2.6(a)**, responding to the Bid and any Competing Proposal for Target (together with all associated activity and expenditure) in accordance with this document is deemed to be Target carrying on its business in the ordinary course; and
- (b) Bidder must carry on its business in accordance with normal and prudent practice and in the ordinary course. For the purposes of this **clause 2.6(b)**, making the Bid and responding to any Competing Proposal for Bidder (together with all associated activity and expenditure) in accordance with this document is deemed to be Bidder carrying on its business in the ordinary course.

## 2.7 Target Promote the Bid

In the absence of a Superior Proposal for Target, to the extent reasonably requested to do so by Bidder during the Exclusivity Period, Target will support the Bid and participate in efforts reasonably required by Bidder to promote the merits of the Bid, including meeting with key Target Shareholders, analysts, management, press and other parties mutually agreed (together with Bidder, to the extent reasonable), but only to the extent that the Target Board or the relevant director considers, after taking advice from Senior Counsel,



that they may do so without breaching or being reasonably likely to breach their legal or fiduciary duties.

## **2.8 Bid Conditions**

- (a) Target agrees not to do (or omit to do) anything which will, or is reasonably likely to, result in any of the Bid Conditions being breached.
- (b) Nothing in this **clause 2** prevents Target or the Target Board from taking, or failing to take, action where to do otherwise would or is reasonably likely to, in the reasonable opinion of the Target Board, constitute a breach of the legal or fiduciary duties of the directors of Target. The reasonable opinion of the Target Board must be based on specific written legal advice given by a Senior Counsel.
- (c) To avoid any doubt, in this document, a reference to a Bid Condition being breached includes a reference to a Bid Condition not being, or not being capable of being, satisfied.
- (d) If any event occurs or becomes apparent to a party which would cause any of the Bid Conditions to be breached or not satisfied, that party must, to the extent that it is actually aware of such information, immediately notify the other party in writing of the event.
- (e) Target agrees to use its reasonable endeavours to ensure satisfaction of the Bid Conditions set out in **section 2.1(e)** and **2.1(f)** of **Schedule 2**.

## **2.9 Target Options**

- (a) Subject to the granting of any necessary ASX waiver, prior to the Bid Offer becoming unconditional, Target must make an offer to cancel all of the Target Options, for consideration no more than the Target Option Consideration.
- (b) If accepted, and subject to the Bid Offer having become unconditional, cancellation of all of those Target Options must be completed on or before the last day of the Condition Period. The Target Option Consideration must increase in an equivalent manner to any increase in the consideration offered under the Bid Offer.
- (c) Bidder agrees that the Bid Offers will extend to all Target Shares issued as a result of exercise of Target Options from the Record Date to the end of the Bid Offer Period.

## **2.10 Board appointments**

At the end of the Bid Offer Period, if the Bid has become free from all Bid Conditions or the Bid has otherwise become unconditional:

- (a) Target will have the right to nominate one of its directors (who must be acceptable to the Bidder) as an additional director on the Bidder Board (**Target Nominee**);
- (b) Bidder will have the right to nominate its directors as additional directors on the Target Board (**Bidder Nominees**);
- (c) upon the acceptance by the Target Nominee of the invitation extended by Bidder in accordance with **clause 2.10(a)**, Bidder must ensure that the Bidder Board promptly appoints the Target Nominee as a casual or additional director of the Bidder Board;



- (d) upon the acceptance by the Bidder Nominees of the invitation extended by Target in accordance with **clause 2.10(b)**, Target must ensure that the Target Board promptly appoints the Bidder Nominees as casual or additional directors of the Bidder Board; and
- (e) following the appointment of the Bidder Nominees as casual or additional directors of the Target Board, Target must ensure that all of its directors (other than the Bidder Nominees and the Target Nominee) resign as directors of the Target Board, disclaiming any right to compensation, damages or otherwise.

### **2.11 Termination of employment or redundancy**

- (a) Conditional upon Bidder declaring the Bid to be free from all Bid Conditions or the Bid otherwise becoming unconditional, Target must in respect of each Target employee:
  - (i) terminate the employment agreement of the Target employee and pay them all payments to which they are entitled; or
  - (ii) make any position held by the Target employee redundant, and pay them all redundancy and other payments to which they are entitled.
- (b) Conditional upon Bidder declaring the Bid to be free from all Bid Conditions or the Bid otherwise becoming unconditional, Target acknowledges and agrees that:
  - (i) it will end Victor Rajasooriar's (**Rajasooriar**) employment by immediately giving three months' written notice pursuant to clause 10.1 of the Executive Service Agreement dated 5 June 2012 (**Executive Service Agreement**) between Target and Rajasooriar; and
  - (ii) at the end of the three month notice period, it will pay Rajasooriar:
    - (A) a redundancy payment of \$137,500 (including superannuation); and
    - (B) any annual leave and other entitlements then accrued under the Executive Service Agreement.

---

## **3 TAKEOVER OFFER**

### **3.1 Variation**

- (a) Bidder may vary the terms of the Bid in any manner permitted by the Corporations Act provided the varied terms are no less favourable to Target Shareholders than the Agreed Bid Terms.
- (b) Bidder may adjust the offer price under the Bid by the amount of any dividends or distributions paid to holders of Target Shares after the Announcement Date.

### **3.2 Waiver of conditions and extension**

Subject to the Corporations Act, Bidder may:

- (a) declare the Bid to be free from any Bid Condition, provided that Bidder may only:
  - (i) vary the condition set out in **section 2.1(a)** of **Schedule 2 (Minimum acceptance condition)** below 50.1% with the written consent of Target; or
  - (ii) waive the Minimum acceptance condition if Bidder has a Relevant





Interest in less than 50.1% of all the Target Shares with the written consent of the Target; and

- (b) only extend the Bid Offer Period beyond 31 October 2013 with the written consent of Target.

---

## 4 COMPENSATING AMOUNT

### 4.1 Undertaking given by Target

Subject to **clause 4.3(a)** and the parties having released the Agreed Announcement in accordance with **clause 1.1**, Target undertakes to pay the Compensating Amount to Bidder if:

- (a) Target accepts or enters into or offers to accept or enter into, any agreement arrangement or understanding regarding a Competing Proposal for Target;
- (b) the Target Board or any Target director approves or recommends or makes an announcement or statement in support of a Competing Proposal for Target or announces an intention to do any of these acts;
- (c) the Target Board fails to make, withdraws or adversely modifies the unanimous recommendation contemplated by **clause 1.3(b)(i)**;
- (d) any member of the Target Board fails to accept or procure the acceptance of the Bid in respect of all the Target Shares that they hold or in which they have a Relevant Interest as contemplated by **clause 1.3(b)(ii)(A)**;
- (e) any member of the Target Board fails to make, withdraws or adversely modifies the statement contemplated by **clause 1.3(b)(ii)(B)**;
- (f) Target or any of its directors does (or omits to do) anything (whether or not it may be permitted by the terms of this document) which results in any of the Bid Conditions being breached and Bidder does not declare the Bid Offer free of the breached condition (which Bidder is under no obligation to do);
- (g) there is a material breach of any of **clauses 1** (The Bid), **2.7** (Promote the Bid), **5** (Exclusivity), **6** (FY13 Budgets), **7** (Warranties) and **8** (Additional Warranties by Target) by Target; or
- (h) Bidder terminates this document pursuant to **clause 11.1(a)**.

### 4.2 Undertaking given by Bidder

Subject to **clause 4.3(b)** and the parties having released the Agreed Announcement in accordance with **clause 1.1**, Bidder undertakes to pay the Compensating Amount to Target if:

- (a) Bidder accepts or enters into or offers to accept or enter into, any agreement arrangement or understanding regarding a Competing Proposal for Bidder, except where the Competing Proposal for Bidder falls within the circumstances described in paragraph (b)(ii) of the definition of "Superior Proposal for Bidder";
- (b) the Bidder Board or any Bidder director approves or recommends or makes an announcement or statement in support of a Competing Proposal for Bidder or announces an intention to do any of these acts, except where the Competing Proposal for Bidder falls within the circumstances described in paragraph (b)(ii) of the definition of "Superior Proposal for Bidder";



- (c) Bidder fails to proceed with the Bid, except as a result of:
  - (i) the occurrence of an event or circumstance which would entitle Bidder to the payment of the Compensating Amount under **clause 4.1**; or
  - (ii) the termination of this document by the Bidder in accordance with **clauses 11.1 or 11.2**;
- (d) there is a material breach of any of **clauses 1** (The Bid), **5** (Exclusivity), **7** (Warranties) and **9** (Additional Warranties by Bidder) by Bidder; or
- (e) Target terminates this document pursuant to **clause 11.1(a)**.

#### **4.3 Exception**

- (a) Notwithstanding **clause 4.1**, no Compensating Amount is payable by Target to Bidder where Target terminates this document in accordance with **clause 11.1** or **11.3** or the Bidder terminates this document in accordance with **clause 11.1(b)**, excluding any Compensating Amount to which Bidder becomes entitled prior to the event or circumstance giving rise to the right of termination occurring.
- (b) Notwithstanding **clause 4.2**, no Compensating Amount is payable by Bidder to Target where Bidder terminates this document in accordance with **clause 11.1** or **11.2** or the Target terminates this document in accordance with **clause 11.1(b)**, excluding any Compensating Amount to which Target becomes entitled prior to the event or circumstance giving rise to the right of termination occurring.

#### **4.4 Compensating Amount**

The Compensating Amount is \$60,000 plus the amount of any GST payable.

#### **4.5 Acknowledgments**

- (a) Each of Target and Bidder acknowledge and agree that the other party would not have entered into this document without this **clause 4** and that the Compensating Amount represents a reasonable amount to contribute to compensation of the actual costs (including adviser costs and out of pocket expenses) and reasonable opportunity costs of the party to which it is payable.
- (b) The parties agree that this **clause 4** does not limit the rights of Target or Bidder in respect of any other claims that they may have against each other, whether under this document or otherwise.

#### **4.6 Warranty**

- (a) Bidder warrants that Target's entering into this document is necessary to induce Bidder to make the Bid.
- (b) Target warrants that Bidder's entering into this document is necessary to induce the Target Board to recommend the Bid.

#### **4.7 Demand for payment**

Any demand by either party for payment of the Compensating Amount (**Demanding Party**) must be in writing stating the circumstances giving rise to the payment and the party must pay the Compensating Amount to the Demanding Party within 5 Business Days of receipt of the demand and the Demanding Party being entitled to the Compensating Amount under **clause 4.1 or 4.2**.



#### 4.8 Compliance with law

- (a) **Unlawful Amount** means all or any part of the payment required to be made under **clauses 4.1** or **4.2** that is found by the Takeovers Panel or a court to be unlawful, involve a breach of director's duties or to constitute Unacceptable Circumstances.
- (b) If the Takeovers Panel or a court finds an Unlawful Amount, and the period for lodging an application for review or a notice of appeal of that decision has expired without such application or notice having been lodged or if an application for review or a notice of appeal has been lodged with the Takeovers Panel or a court within the prescribed period and the relevant review Panel or court finds an Unlawful Amount, then:
  - (i) the undertaking under **clause 4.1** or **4.2** (as applicable) does not apply to the extent of the Unlawful Amount; and
  - (ii) the Demanding Party must within 3 Business Days refund any Unlawful Amount paid to the Demanding Party under this document.

#### 4.9 Fiduciary exceptions

Notwithstanding any provision in this **clause 4**:

- (a) the undertaking in **clause 4.1** shall not apply in circumstances where Target or the Target Board is required to do or refrain from doing anything where doing or refraining from doing that thing would or is reasonably likely to, in the reasonable opinion of the Target Board, involve a breach of the duties of the directors of Target. The reasonable opinion of the Target Board must be based on specific written legal advice given by a Senior Counsel; and
- (b) the undertaking in **clause 4.2** shall not apply in circumstances where Bidder or the Bidder Board is required to do or refrain from doing anything where doing or refraining from doing that thing would or is reasonably likely to, in the reasonable opinion of the Bidder Board, involve a breach of the duties of the directors of Bidder. The reasonable opinion of the Bidder Board must be based on specific written legal advice given by a Senior Counsel.

---

## 5 EXCLUSIVITY

### 5.1 Cease existing discussions

- (a) Target must cease any existing discussions or negotiations relating to a Competing Proposal for Target upon the execution of this document.
- (b) Bidder must cease any existing discussions or negotiations relating to a Competing Proposal for Bidder upon the execution of this document.

### 5.2 No-shop restriction

During the Exclusivity Period, each party must ensure that neither it nor its directors, officers, employees, agents or advisers on its behalf directly or indirectly solicits, invites, facilitates, encourages or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, offer or proposal from any other person:

- (a) in relation to Bidder, for a Competing Proposal for Bidder; or



- (b) in relation to Target, for a Competing Proposal for Target.

### 5.3 No-talk restriction

Subject to **clause 5.6**, during the Exclusivity Period, each party must ensure that neither it nor any of its directors, officers, employees, agents or advisers negotiates or enters into, continues or participates in negotiations or discussions with any other person regarding:

- (a) in relation to Bidder, a Competing Proposal for Bidder; or
- (b) in relation to Target, a Competing Proposal for Target,

even if the Competing Proposal for Bidder or Competing Proposal for Target (as the case may be):

- (a) was not directly or indirectly solicited, initiated or encouraged; or
- (b) has been publicly announced, including by a third party.

### 5.4 Compliance with law

- (a) If a court or the Takeovers Panel determines that any obligation of a party under this **clause 5** or any part thereof:

- (i) constituted, or constitutes, or would constitute, a breach of fiduciary or statutory duties of the:

- (A) Target Board or Target; or
- (B) Bidder Board or Bidder; or

- (ii) constituted, or constitutes, or would constitute, Unacceptable Circumstances; or

- (iii) was, or is, or would be, unlawful for any other reason,

then, to that extent, the relevant party will not be obliged to comply with the relevant obligation.

- (b) In Takeovers Panel proceedings, if the Takeovers Panel indicates to Target and Bidder or either of them that in the absence of a written undertaking pursuant to section 201A of the *Australian Securities and Investments Commission Act 2001* (Cth) it will make a declaration of Unacceptable Circumstances in relation to any party's obligations under this **clause 5** each of Bidder and Target (as the case may be) may give that undertaking on their own behalf and must give reasonable consideration to giving that undertaking if requested by the other party. Where such undertakings are given, this **clause 5** will operate in a manner consistent with the terms of such undertakings.
- (c) If the court or the Takeovers Panel consents, the primary party must allow the other party (at that other party's cost) to participate with the primary party in any action or proceedings referred to in this **clause 5.4**.

### 5.5 Disclosure of Competing Proposal

During the Exclusivity Period, each party must promptly notify the other in writing of:

- (a) any approach, inquiry or proposal made to, and any attempt to initiate negotiations or discussions with it or any of its representatives with respect to any bona fide Competing Proposal for Bidder or bona fide Competing Proposal for Target (as the case may be) (whether unsolicited or otherwise); or



- (b) any request for information relating to it or any of its businesses or operations or any request for access to its books or records, which it has reasonable grounds to suspect may relate to a current or future Competing Proposal for Bidder or Competing Proposal for Target (as the case may be),

which notice must include reasonable details of the applicable matter (including the identity of the third person and, if applicable, all material terms of the Competing Proposal for Bidder or Competing Proposal for Target (as the case may be)).

## 5.6 Exceptions

Neither party is required to comply with its obligations under **clause 5.3** in any particular case to the extent that compliance with the relevant obligation would or is reasonably likely to constitute, in the opinion of the respective party's board, based on written legal advice given by a Senior Counsel, a breach of any of the legal or fiduciary duties of the directors of that party.

## 5.7 Normal provision of information

Nothing in this **clause 5** prevents:

- (a) either party from providing information to its representatives;
- (b) either party from providing information required to be provided to ASX, ASIC or the Takeovers Panel (or any other Public Authority, if required by applicable law); or
- (c) Bidder or Target making presentations to, and responding to enquiries from, brokers, portfolio investors or analysts in the ordinary course of business.

## 5.8 Matching Right

If, during the Exclusivity Period, Target receives a proposal in relation to a bona fide Superior Proposal for Target, the following provisions apply:

- (a) Target must give Bidder notice in writing of that fact and that notice must provide reasonable details of the Superior Proposal for Target, including details of the proposed acquirer;
- (b) if Target gives Bidder a notice under **clause 5.8(a)**, Target agrees that it will not, until the end of the fifth Business Day following the receipt of that notice by Bidder enter into any legally binding agreement with respect to the Superior Proposal for Target;
- (c) if Target gives Bidder a notice under **clause 5.8(a)**, Bidder agrees that the notice will be deemed to be Confidential Information (as that term is defined in the Confidentiality Deed);
- (d) if Target gives Bidder a notice under **clause 5.8(a)**, Bidder will have the right, but not the obligation, at any time until the end of the fifth Business Day following receipt of the notice to:
  - (i) offer to amend the terms of the Bid; or
  - (ii) propose any other transaction,(each a **Counterproposal**), and if Bidder does so, the Target Board must review the Counterproposal in good faith and in what the Target Board considers is required to comply with its fiduciary or statutory duties, to determine whether



- the Counterproposal is more favourable to Target Shareholders than the Superior Proposal for Target;
- (e) if the Target Board determines, in good faith and in order to satisfy what the Target Board considers to be its fiduciary or statutory duties, that the Counterproposal is more favourable to Target Shareholders than the Superior Proposal for Target, then:
- (i) if the Counterproposal contemplates an amendment to the Bid, the parties must enter into a document amending this document in relation to the Bid and reflecting the Counterproposal; and
  - (ii) if the Counterproposal contemplates any other transaction, Target must make an announcement or public statement as soon as reasonably practicable recommending the Counterproposal, in the absence of a more favourable proposal, and the parties must pursue implementation of the Counterproposal in good faith; and
- (f) for the purposes of this **clause 5.8**, each material successive modification of any Competing Proposal for Target in relation to a Superior Proposal for Target will be deemed to constitute a new proposal and the provisions of this **clause 5.8** will apply to each such new proposal.

---

## 6 FY13 BUDGETS

- (a) Each of Bidder and Target acknowledge and agree that:
- (i) the budget for Target for the period commencing on the date of this document and ending at 11.59pm (WST) on 31 October 2013 (**Budget Period**) has been determined (**Target FY13 Budget**); and
  - (ii) Target must not during the period covered by the Target FY13 Budget deviate from, nor amend or vary, the Target FY13 Budget by an amount in excess of 10% of aggregated budget expenditure without obtaining the prior written consent of Bidder (not to be unreasonably withheld or delayed).
- (b) Target will be released from its obligations under this **clause 6** upon the earlier of the end of:
- (i) the Budget Period referred to in **clause 6(a)**; and
  - (ii) the Exclusivity Period.
- (c) Except as notified in writing by the Target to the Bidder or as disclosed to the ASX prior to the Announcement Date, for the Budget Period, Target agrees it will not, nor will any subsidiaries, dispose, offer to dispose or agree to dispose of, or create, or offer to create an equity interest in, any mineral asset (including any geological data) or an interest in any such asset without the prior written consent of Bidder.

---

## 7 WARRANTIES

Each party represents and warrants that, subject to the terms of this document:

- (a) it is duly incorporated under the laws of the place of its incorporation;



- (b) it has the power and authority to enter into this document and perform and observe all its terms;
- (c) this document constitutes its legal, valid and binding agreement enforceable against it in accordance with its terms;
- (d) it is not bound by any contract which may restrict its right or ability to enter into or perform the agreement contained in this document; and
- (e) no resolutions have been passed and no other step has been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets and no regulatory action has been taken which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfill its obligations under this document.

---

## 8 ADDITIONAL WARRANTIES BY TARGET

Target represents and warrants to Bidder that:

- (a) Part A of **Schedule 4** accurately records the total number and details of Target Shares and Target Options on issue as at the date of this document. There are no other shares, options, notes or other securities of Target and no rights to be issued such shares, options, notes or other securities;
- (b) as at the date it is provided to Bidder, to the best knowledge of the Target Board, the Target Due Diligence Information is true and accurate in all material respects and Target has not knowingly or recklessly:
  - (i) omitted from the Target Due Diligence Information, information, the disclosure of which might reasonably be expected to have resulted in Bidder not entering into this document, or entering into it on materially different terms;
  - (ii) omitted anything from the Target Due Diligence Information such as to make any part of that information materially false or misleading;
  - (iii) included anything materially false or misleading in the Target Due Diligence Information; or
  - (iv) denied access to requested information with the intention of misleading Bidder;
- (c) it has complied with ASX Listing Rule 3.1 in relation to continuous disclosure and has (to the extent necessary to date) and will continue to comply with Division 4 of Part 6.5 and Chapter 6B of the Corporations Act and, other than for the matters and transactions contemplated by this document, it is not relying on the carve-out in ASX Listing Rule 3.1A to withhold any information from public disclosure;
- (d) all its financial accounts and reports lodged with ASX:
  - (i) have been prepared in accordance with applicable laws and generally accepted accounting standards; and
  - (ii) give a true and fair view of the financial position and affairs of Target at their applicable dates;



- (e) there are no agreements, arrangements, understandings, actions, events or occurrences affecting Target, the carrying on of the business of Target or that are material to the operations or future operations of Target that have not been disclosed in accordance with ASX Listing Rule 3.1;
- (f) there are no agreements, arrangements or understandings affecting Target or the carrying on of the business of Target that are outside the ordinary and proper course of business or otherwise containing any unusual, abnormal or onerous provisions that have not been disclosed in accordance with ASX Listing Rule 3.1;
- (g) to the best of Target's knowledge, information and belief, every material contract, instrument or other commitment to which a Target or a subsidiary of Target is a party is valid and binding according to its terms and no party to any such commitment or contract is in material default under the terms of that commitment or contract;
- (h) Target is conducting its business in compliance in all material respects with all applicable laws and all necessary licences, consents, registrations, approvals, permits and authorisations necessary for the carrying on of the business of Target;
- (i) there are no material actions, suits, arbitrations, mediations, conciliation or administrative proceedings taking place, pending or to Target's knowledge threatened against Target or any of its subsidiaries;
- (j) it is not aware of any act, omission, event or fact that would result in one or more of the Bid Conditions being breached; and
- (k) Target or a subsidiary of Target will not before the earlier of the termination of this document or the end of the Bid Offer Period:
  - (i) materially breach or, without the prior written consent of the Bidder (not to be unreasonably withheld), terminate or materially vary any material agreement to which Target or a subsidiary of Target is a party; or
  - (ii) release, discharge or modify any substantial obligation owed to it by any person, firm or corporation or agree to do so.

---

## 9 ADDITIONAL WARRANTIES FROM BIDDER

Bidder represents and warrants to Target that:

- (a) Part B of **Schedule 4** accurately records the total number and details of Bidder Shares and Bidder Options on issue as at the date of this document. There are no other shares, options, notes or other securities of Bidder and no rights to be issued such shares, options, notes or other securities;
- (b) as at the date it is provided to Bidder, to the best knowledge of the Bidder Board, the Bidder Due Diligence Information is true and accurate in all material respects and Bidder has not knowingly or recklessly:
  - (i) omitted from the Bidder Due Diligence Information, information, the disclosure of which might reasonably be expected to have resulted in Target not entering into this document, or entering into it on materially different terms;





- (ii) omitted anything from the Bidder Due Diligence Information such as to make any part of that information materially false or misleading;
  - (iii) included anything materially false or misleading in the Bidder Due Diligence Information; or
  - (iv) denied access to requested information with the intention of misleading Target;
- (c) Bidder or a subsidiary of Bidder will not before the earlier of the termination of this document or the end of the Bid Offer Period:
  - (i) materially breach or, without the prior written consent of the Target (not to be unreasonably withheld), terminate or vary any material agreement to which Bidder or a subsidiary of Bidder is a party; or
  - (ii) release, discharge or modify any substantial obligation owed to it by any person, firm or corporation or agree to do so;
- (d) it has complied with ASX Listing Rule 3.1 in relation to continuous disclosure and has (to the extent necessary to date) and will continue to comply with Division 4 of Part 6.5 and Chapter 6B of the Corporations Act and, other than for the matters and transactions contemplated by this document, it is not relying on the carve-out in ASX Listing Rule 3.1A to withhold any information from public disclosure;
- (e) all its financial accounts and reports lodged with ASX:
  - (i) have been prepared in accordance with applicable laws and generally accepted accounting standards; and
  - (ii) give a true and fair view of the financial position and affairs of Bidder at their applicable dates;
- (f) there are no material agreements, arrangements, understandings, actions, events or occurrences affecting Bidder, the carrying on of the business of Bidder or that are material to the operations or future operations of Bidder that have not been disclosed in accordance with ASX Listing Rule 3.1;
- (g) there are no material agreements, arrangements or understandings affecting Bidder or the carrying on of the business of Bidder that are outside the ordinary and proper course of business or otherwise containing any unusual, abnormal or onerous provisions that have not been disclosed in accordance with ASX Listing Rule 3.1;
- (h) to the best of Bidder's knowledge, information and belief, every material contract, instrument or other commitment to which a Bidder or a subsidiary of Bidder is a party is valid and binding according to its terms and no party to any such commitment or contract is in material default under the terms of that commitment or contract;
- (i) Bidder is conducting its business in compliance in all material respects with all applicable laws and all necessary licences, consents, registrations, approvals, permits and authorisations necessary for the carrying on of the business of Bidder; and



- (j) there are no material actions, suits, arbitrations, mediations, conciliation or administrative proceedings taking place, pending or to Bidder's knowledge threatened against Target or any of its subsidiaries; and
- (k) it is not aware of any act, omission, event or fact that would result in one or more of the Bid Conditions being breached.

---

## 10 ANNOUNCEMENTS

### 10.1 No Announcement

Neither party may make an announcement relating to the subject matter of this document or its termination or make public this document (or any of its terms) unless the announcement or publication:

- (a) is required by this document;
- (b) has the prior approval of the other party; or
- (c) is required to be made by any applicable law or the listing rules applicable to the party.

### 10.2 Notice of Announcement

If a party is required to make an announcement under **clause 10.1(c)**, it must, to the extent practicable without that party breaching any applicable law, give to the other party:

- (a) such notice as is reasonable in the circumstances of its intention to make the announcement; and
- (b) a draft of the announcement and an opportunity, which is reasonable in the circumstances, to comment on the contents of the draft announcement.

### 10.3 Target announcement in respect of non-related matters

If Target is required to make an announcement by any applicable law or the listing rules applicable to it in respect of any matter other than in respect of the Bid, Target must, to the extent practicable without it breaching any applicable law, give to Bidder such notice as is reasonable in the circumstances of its intention to make the announcement.

---

## 11 TERMINATION

### 11.1 Termination rights

This document may be terminated by either party by notice to the other party:

- (a) if the other party is in material breach of this document and that breach is not remedied by that other party within 5 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;
- (b) if a court or other Public Authority issues a final and non appealable order or ruling or takes an action which permanently restrains or prohibits the Bid Offer; or
- (c) if Bidder withdraws the Bid or allows the Bid to lapse for any reason including a non-satisfaction of a Bid Condition.



## 11.2 Termination by Bidder

This document may be terminated by Bidder by written notice to Target if:

- (a) a Superior Proposal for Target is made or publicly announced by a third party;
- (b) any member of the Target Board fails to make, withdraws or adversely modifies the unanimous recommendation contemplated by **clause 1.3(b)(i)**;
- (c) any member of the Target Board fails to accept or procure the acceptance of the Bid in respect of all the Target Shares that they hold or in which they have a Relevant Interest as contemplated by **clause 1.3(b)(ii)(A)**; or
- (d) any member of the Target Board fails to make, withdraws or adversely modifies the statement contemplated by **clause 1.3(b)(ii)(B)**.

## 11.3 Termination by Target

This document may be terminated by Target by written notice to Bidder if:

- (a) a Superior Proposal for Bidder is made or publicly announced by a third party;
- (b) a Bidder Prescribed Occurrence occurs;
- (c) a Bidder Material Adverse Change occurs; or
- (d) any of the events or circumstances in the Bid Conditions in **section 2.1 (h)** or **2.1(i)** of **Schedule 2** occur in relation to Bidder if references in those Bid Conditions:
  - (i) to Target were references to Bidder; and
  - (ii) to Bidder were references to Target.

## 11.4 Effect of termination

In the event that a party terminates this document under this **clause 11** or if this document otherwise terminates in accordance with its terms:

- (a) each party will be released from its obligations under this document except its obligations under **clauses 4** (Compensating Amount), **13** (General) and **14** (Interpretation);
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this document; and
- (c) in all other respects, all future obligations of the parties under this document will immediately terminate and be of no further force or effect, including, without limitation, any further obligations in respect of the Bid.

---

## 12 AMENDMENT AND ASSIGNMENT

### 12.1 Amendment

This document can only be amended or replaced by another document executed by the parties.

### 12.2 Assignment

A party may only assign, declare a trust over or otherwise deal with its rights under this document with the written consent of the other party.



---

## **13 GENERAL**

### **13.1 Governing law**

- (a) This document is governed by the law of Western Australia.
- (b) Each party submits to the jurisdiction of the courts of Western Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document.

### **13.2 Liability for expenses**

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

### **13.3 Waiver of rights**

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

### **13.4 No partnership or agency**

Nothing in this document is to be treated as creating a partnership and, except as specifically provided in this document, no party may act as agent of or in any way bind another party to any obligation.

### **13.5 Operation of this document**

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

### **13.6 GST**

- (a) Words defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) have the same meaning in this clause.
- (b) If Target pays Bidder the Compensating Amount under this document and that gives rise to a liability for GST, Target must pay and indemnify Bidder on demand against the amount of that GST.
- (c) If Bidder pays Target the Compensating Amount under this document and that gives rise to a liability for GST, Bidder must pay and indemnify Target on demand against the amount of that GST.



- (d) If a party provides a payment for or any satisfaction of a claim or a right to claim under or in connection with this document (for example, for a breach of any warranty or under an indemnity) that gives rise to a liability for GST, the provider must pay, and indemnify the recipient on demand against, the amount of that GST.
- (e) If a party has a claim under or in connection with this document for a cost on which that party must pay an amount for GST, the claim is for the cost plus the amount for GST (except any amount for GST for which that party is entitled to an input tax credit).

### **13.7 No merger**

No provisions of this document merge on the Bid being publicly announced and made.

### **13.8 Time of the essence**

Time is of the essence in this document.

### **13.9 Notices**

- (a) A notice, consent or other communication under this document is only effective if it is:
  - (i) in writing, signed by or on behalf of the person giving it;
  - (ii) addressed to the person to whom it is to be given; and
  - (iii) either:
    - (A) delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address; or
    - (B) sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was sent in full.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:
  - (i) if it is delivered or sent by fax:
    - (A) by 5.00pm (local time in the place of receipt) on a Business Day - on that day; or
    - (B) after 5.00pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day - on the next Business Day; and
  - (ii) if it is sent by mail:
    - (A) within Australia - 3 Business Days after posting; or
    - (B) to or from a place outside Australia - 7 Business Days after posting.
- (c) A person's address and fax number are those set out below, or as the person notifies the sender:

#### **Target**



Address: Unit 14, 531 Hay Street  
Subiaco WA 6008

Fax number: +61 8 9278 6449

Attention: Victor Rajasooriar  
Managing Director

**Bidder**

Address: Level 1, 8 Beulah Road  
Norwood SA 5067

Fax number: +61 8 8132 3499

Attention: Andrew Woskett  
Managing Director

**13.10 Counterparts**

This document may be executed in counterparts.

---

**14 INTERPRETATION**

**14.1 Definitions**

The following definitions apply in this document.

**Agreed Announcement** means the joint announcement agreed by the parties in relation to the Bid.

**Agreed Bid Terms** means the terms set out in **Schedule 3**.

**Announcement Date** means the date of release of the Agreed Announcement.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given in section 12(2) of the Corporations Act.

**ASX** means ASX Limited or the Australian Securities Exchange, as appropriate.

**ASX Listing Rules** means the listing rules of the ASX.

**Bid** means a takeover bid under Chapters 6 to 6C of the Corporations Act under which Bidder offers to acquire all Target Shares on terms no less favorable to Target Shareholders than the Agreed Bid Terms.

**Bidder Board** means the board of directors of Bidder from time to time.

**Bid Conditions** means the conditions to the Bid Offer which are set out in **Schedule 2**.

**Bidder Due Diligence Information** means all written information (including in electronic form) relating to the business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of Bidder provided by Bidder to Target during the Due Diligence Period.

**Bidder Material Adverse Change** means any event or occurrence during the Condition Period, which is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the:



- (a) assets, liabilities, financial position, performance, profitability or prospects of Bidder and its subsidiaries taken as a whole or of any of them; or
- (b) status or terms of (or rights attaching to) any material Approvals from Public Authorities applicable to Bidder or any of its subsidiaries,

including without limitation:

- (c) any creditor demanding repayment of a debt of \$20,000 or more; and
- (d) any person accelerating or adversely modifying the performance of any obligations of Bidder or any of its subsidiaries under any material agreements, contracts or other legal arrangements,

but does not include any change:

- (e) fairly disclosed to Target on or before the date of this document (including as a result of disclosures made to ASX);
- (f) occurring as a result of any matter, event or circumstance required by this document, the Bid or the transactions contemplated by them; or
- (g) approved in writing by Target.

**Bid Offer** means each offer to acquire all Target Shares on issue during the Bid Offer Period to be made by Bidder to each Target Shareholder under the Bid on terms consistent with this document.

**Bid Offer Period** means the period during which the Bid Offer is open for acceptance.

**Bidder Option** means an option to acquire a Bidder Share.

**Bidder Prescribed Occurrence** means any of the following:

- (a) Bidder converts all or any of its shares into a larger or smaller number of shares;
- (b) Bidder or a subsidiary of Bidder resolves to reduce its share capital in any way;
- (c) Bidder or a subsidiary of Bidder:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Bidder or a subsidiary of Bidder issues shares (other than Bidder Shares upon the exercise of Bidder Options on issue at the date of this document) or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) Bidder or a subsidiary of Bidder issues, or agrees to issue, convertible notes;
- (f) Bidder or a subsidiary of Bidder disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Bidder or a subsidiary of Bidder grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
- (h) Bidder or a subsidiary of Bidder resolves to be wound up;
- (i) the appointment of a liquidator or provisional liquidator of Bidder or of a subsidiary of Bidder;
- (j) a court makes an order for the winding up of Bidder or of a subsidiary of Bidder;



- (k) an administrator of Bidder, or of a subsidiary of Bidder, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Bidder or a subsidiary of Bidder executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Bidder or of a subsidiary of Bidder,

provided that a Bidder Prescribed Occurrence will not include any matter:

- (n) fairly disclosed to Target on or before the date of this document (including as a result of disclosures made to ASX);
- (o) occurring as a result of any matter, event or circumstance required by this document, the Bid or the transactions contemplated by them; or
- (p) approved in writing by Target.

**Bidder Share** means a fully paid ordinary share in the capital of Bidder.

**Bidder Shareholder** means a holder of a Bidder Share.

**Bidder's Statement** means the bidder's statement to be issued by Bidder in respect to the Bid.

**Business Day** means a day (other than Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Western Australia and Adelaide, South Australia.

**Compensating Amount** has the meaning given to it in **clause 4.4**.

**Competing Proposal for Bidder** means any proposal (including a scheme of arrangement) or offer that would if completed substantially in accordance with its terms, result in:

- (a) any person or persons (other than pursuant to the Bid) acquiring:
  - (i) an interest in all or a substantial part of the assets of Bidder or any subsidiary of Bidder;
  - (ii) a Relevant Interest in more than 20% of the voting shares of Bidder or any subsidiary of Bidder; or
  - (iii) control of Bidder or any subsidiary of Bidder within the meaning of section 50AA of the Corporations Act; or
- (b) Bidder and another person or persons (other than Bidder or one of Bidder's Associates) operating under a dual listed company, or similar structure.

**Competing Proposal for Target** means any proposal (including a scheme of arrangement) or offer that would if completed substantially in accordance with its terms, result in:

- (a) any person or persons other than Bidder or one of Bidder's Associates acquiring:
  - (i) an interest in all or a substantial part of the assets of Target or any subsidiary of Target;
  - (ii) a Relevant Interest in more than 20% of the voting shares of Target or any subsidiary of Target; or
  - (iii) control of Target or any subsidiary of Target within the meaning of section 50AA of the Corporations Act; or





- (b) Target and another person or persons (other than Target or one of Target's Associates) operating under a dual listed company, or similar structure.

**Condition Period** means the period beginning on the Announcement Date and ending at the end of the Bid Offer Period.

**Confidentiality Deed** means the confidentiality and exclusivity agreement dated 17 May 2013 between Bidder and Target.

**Corporations Act** means the *Corporations Act 2001* (Cth) as modified by any relevant exemption or declaration by ASIC.

**Due Diligence Period** means the period commencing on 17 May 2013 and ending on the date the Bidder's Statement is lodged with ASIC and ASX.

**Exclusivity Period** means the period commencing from the date of this document to the earlier of:

- (a) expiry of the Bid Offer Period; or
- (b) the date that this document is terminated.

**Public Authority** means any government or any governmental, semi-governmental, administrative, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

**Relevant Interest** has the same meaning as given in sections 608 and 609 of the Corporations Act.

**Superior Proposal for Bidder** means a Competing Proposal for Bidder that in the determination of the Bidder Board acting in good faith:

- (a) is reasonably capable of being valued and completed, taking into account both the nature of the Competing Proposal for Bidder and the person or persons making it; and
- (b) either:
  - (i) in the context of a Competing Proposal for Bidder which requires the Bid not to proceed, is more favourable to Bidder Shareholders than the Bid, taking into account all terms and conditions of the Competing Proposal for Bidder; or
  - (ii) in the context of a Competing Proposal for Bidder which requires the Bid to proceed, would be in the best interests of the Bidder Shareholders (including those persons who will become Bidder Shareholders as a result of the Bid), taking into account all terms and conditions of the Competing Proposal for Bidder,

provided that a financial adviser, independent of the Bidder Board, has provided a written opinion to the Bidder Board which supports the determination of the matters in paragraphs (a) and (b) above.

**Superior Proposal for Target** means a Competing Proposal for Target that in the determination of the Target Board acting in good faith:

- (a) is reasonably capable of being valued and completed, taking into account both the nature of the Competing Proposal for Target and the person or persons making it; and



(b) is more favourable to Target Shareholders than the Bid, taking into account all terms and conditions of the Competing Proposal for Target,

provided that a financial adviser, independent of the Target Board, has provided a written opinion to the Target Board which supports the determination of the matters in paragraphs (a) and (b) above.

**Target Board** means the board of directors of Target from time to time.

**Target Due Diligence Information** means all written information (including in electronic form) relating to the business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of Target provided by Target to Bidder during the Due Diligence Period.

**Target Option** means an option to subscribe for a Target Share.

**Target Option Consideration** means:

- (a) for the 5,000,000 Target Options with an expiry date of 1 July 2015, \$0.00 per Target Option;
- (b) for the 1,250,000 Target Options with an expiry date of 11 May 2015 and an exercise price of \$0.053, \$0.0015 per Target Option; and
- (c) for the 1,250,000 Target Options with an expiry date of 11 May 2015 and an exercise price of \$0.10, \$0.0009 per Target Option.

**Target Share** means a fully paid ordinary share in the capital of Target.

**Target Shareholder** means a holder of a Target Share.

**Target's Statement** means the target's statement to be issued by Target in respect of the Bid.

**Unacceptable Circumstances** has the meaning given in section 657A of the Corporations Act.



## 14.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) Words and phrases which are defined by the Corporations Act have the same meaning in this document. If a special meaning is given for the purposes of Chapter 6 or 6A or a provision of Chapter 6 or 6A of the Corporations Act the word or phrase has that meaning.
- (b) A reference to:
  - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
  - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
  - (iii) a party to this document or to any other document or agreement includes a successor in title, permitted substitute or a permitted assign of that party;
  - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person;
  - (v) anything (including a right, obligation or concept) includes each part of it; and
  - (vi) a reference to \$ is to the lawful currency in Australia unless otherwise stated.
- (c) A singular word includes the plural, and vice versa.
- (d) A word which suggests one gender includes the other genders.
- (e) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (f) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (g) All references to time are references to the time in Perth, Western Australia.



**1** Schedule 1 – Indicative Timetable

<b>Date</b>	<b>Action</b>
15 July 2013	Release of Agreed Announcement
24 July 2013	Bidder provides advanced draft Bidder's Statement to Target under <b>clause 2.2(a)</b> Target provides advanced draft Target's Statement to Bidder
29 July 2013	Bidder lodges Bidder's Statement with ASIC and ASX and serves it on Target Target lodges Target's Statement with ASIC and ASX and serves it on Bidder
13 August 2013	Bidder despatches Bidder's Statement to Target Shareholders Target despatches Target's Statement to Target Shareholders
14 August 2013	Offer opens
14 September 2013	Close of Offer (unless extended)



---

## 2 SCHEDULE 2 – BID CONDITIONS

2.1 The Offer is subject to the following conditions:

(a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have Relevant Interests is at least 90% of all the Target Shares.

(b) No prescribed occurrences

None of the following events happens during the period beginning on the date the bidder's statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - (A) enters into a buy-back agreement; or
  - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares (other than Target Shares upon the exercise of Target Options on issue at the date of the Bid Implementation Agreement) or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target,



provided that it will not include any occurrence:

- (xiv) fairly disclosed in writing to Bidder on or before the date of the Bid Implementation Agreement (including as a result of disclosures made to ASX);
  - (xv) occurring as a result of any matter, event or circumstance required by the Bid Implementation Agreement, the Bid or the transactions contemplated by them; or
  - (xvi) approved in writing by Bidder.
- (c) No prescribed occurrences between Announcement Date and service of the bidder's statement on Target

None of the events listed in sub-sections (i) to (xiii) of section 2.1(b) happens during the period beginning on the Announcement Date and ending at the end of the day before the bidder's statement is given to Target.

- (d) No change of control rights

During the Condition Period, there is no person having any rights, being entitled to have any rights, alleging an entitlement, or expressing or announcing an intention (whether or not that intention is stated to be a final or determined decision of that person) (in all cases whether subject to conditions or not), as a result of any change of control event in respect of the Company (including the Buyer acquiring shares in the Company) or any of its subsidiaries or assets, to:

- (i) terminate or alter any material contractual relations between any person and the Company or any of its subsidiaries;
- (ii) acquire or require the termination, modification or disposal (or offer to dispose) of any material interest or asset, corporate body, joint venture or other entity; or
- (iii) accelerate or adversely modify the performance of any obligations of the Company or any of its subsidiaries under any material agreements, contracts or other legal arrangements.

- (e) Access to information

During the Condition Period, the Target promptly, and in any event within 2 Business Days, provides to the Bidder all information which the Bidder may from time to time reasonably request, whether or not generally available (within the meaning of section 1042C of the Corporations Act) relating to the Target or any of its subsidiaries, or their respective assets, liabilities or operation provided that:

- (i) to the extent required pursuant to the exception in clause 5.6 of the Bid Implementation Agreement to the no-talk restriction in clause 5.3 of the Bid Implementation Agreement, the Target is under no obligation to disclose to the Bidder any communications with any third party other than to comply with the matching rights provisions under clause 5.8(a); and
- (ii) the Bidder acknowledges that to the extent that some or all of the information provided may be "inside information" within the meaning of Part 7.10, Division 3 of the Corporations Act, the Target is under no obligation to provide that information to Bidder until it has been



disclosed to ASX or is no longer "inside information" within the meaning of Part 7.10, Division 3 of the Corporations Act.

(f) No action by Public Authority adversely affecting the Bid

During the Condition Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (ii) no action or investigation is instituted, or threatened by any Public Authority with respect to Target or any subsidiary of Target; or
- (iii) no application is made to any Public Authority (other than an application by Bidder or any company within the Bidder Group or an application under section 657G of the Corporations Act),

in consequence of, or in connection with, the Bid, which restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the Bid or the completion of any transaction contemplated by the bidder's statement or seeks to require the divestiture by Bidder of any Target Shares, or the divestiture of any assets by Target or by any subsidiary of Target or by any company within the Bidder Group.

(g) Approvals by Public Authorities

During the Condition Period, all Approvals or consents which are required by law or any Public Authority or imposed by ASX, ASIC or the Takeovers Panel:

- (i) to permit the Offers to be made to and accepted by Target Shareholders; or
- (ii) as a result of the Offers or the successful acquisition of the Target Shares and which are necessary for the continued operation of the business of Target and its subsidiaries or of Bidder and its subsidiaries,

are granted, given, made or obtained on an unconditional basis and remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those Approvals.

(h) No material acquisitions, disposals, etc.

Except as notified in writing by the Target to the Bidder (including as contemplated by the Bid Implementation Agreement) or as disclosed to the ASX prior to the Announcement Date, none of the following events occur during the Condition Period without the written consent of Bidder (not to be unreasonably withheld or delayed):

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more entities, businesses or assets (or an interest in one or more entities, businesses or assets) for an amount in aggregate greater than \$5,000;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of, or creates, or offers to create an equity interest in one or more entities, businesses or assets (or an interest in one or more entities, businesses or assets) for an amount in aggregate greater than \$20,000;



- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership or dual listed company structure;
  - (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to:
    - (A) any capital expenditure, or
    - (B) any liability,
    - (C) for one or more related items of greater than \$5,000.
- (i) No material failings in filings
- Bidder does not become aware, during the Condition Period, that any document filed by or on behalf of Target with ASIC or any other Public Authority contains a statement which is incorrect or misleading in any material particular or from which there is a material omission which would have or could be reasonably expected to have a material adverse effect on the value of Target.
- (j) No break fees
- (i) Subject to section 2.1(j)(ii) of this Schedule 2, during the Condition Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
    - (A) a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
    - (B) any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
  - (ii) Section 2.1(j)(i) of this Schedule 2 does not apply to a payment, benefit or agreement:
    - (A) for providing professional advisory services to Target;
    - (B) which is approved in writing by Bidder;
    - (C) which is contemplated by the Bid Implementation Agreement; or
    - (D) which is made to, provided to, owed by or made with Bidder.
- (k) Conduct of Target's business
- Except as contemplated by the Bid Implementation Agreement, during the Condition Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:
- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;





- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes, other than the issue of Target Shares upon the exercise of Target Options on issue at the date of the Bid Implementation Agreement;
  - (iii) makes any changes in its constitution or passes any special resolution;
  - (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
  - (v) borrows or agrees to borrow any money;
  - (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
  - (vii) has materially breached, terminated or materially varied any material agreement to which Target or a subsidiary of Target is a party;
  - (viii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
  - (ix) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date);
  - (x) conducts its business otherwise than in the ordinary course;
  - (xi) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
  - (xii) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the *Australian Securities and Investments Commission Act 2001* (Cth) or any corresponding legislation.
- (l) No material adverse change to Target

During the Condition Period, no event, change or condition occurs, is discovered by or becomes known to the Bidder (whether or not it becomes public) where that event, change or condition has had, or could reasonably be expected to have, a materially adverse effect on the:

- (i) assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them; or
- (ii) the status or terms of arrangements entered into by the Target or any of its subsidiaries; or



- (iii) the status or terms of (or rights attaching to) any material Approvals from Public Authorities applicable to Target or any of its subsidiaries, including without limitation:
  - (iv) any creditor demanding repayment of a debt of \$20,000 or more; and
  - (v) any person accelerating or adversely modifying the performance of any obligations of Target or any of its subsidiaries under any material agreements, contracts or other legal arrangements, but does not include any event, change or condition:
  - (vi) fairly disclosed in writing to Bidder on or before the date of the Bid Implementation Agreement (including as a result of disclosures made to ASX);
  - (vii) occurring as a result of any matter, event or circumstance required by the Bid Implementation Agreement, the Bid or the transactions contemplated by them; or
  - (viii) approved in writing by Bidder.
- (m) Target Options
- During the Condition Period either all Target Options have been exercised, cancelled or transferred to Bidder or agreement has been reached between Bidder, Target and the holders of the Target Options to do so.

## 2.2 Definitions

**Announcement Date** means the date of the joint announcement agreed by the Bidder and Target in relation to the Bid by Bidder for Target.

**Approval** means a licence, tenement, authority, consent, approval, order, exemption, waiver, ruling or decision.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means a takeover bid under Chapters 6 to 6C of the Corporations Act under which Bidder offers each Target Shareholder one (1) Bidder Share for every ten (10) Target Shares held.

**Bid Implementation Agreement** means the bid implementation agreement entered into by Bidder and Target on or prior to the Announcement Date.

**Bidder** means Minotaur Exploration Limited (ABN 35 108 483 601).

**Bidder Group** means Bidder and its related bodies corporate (as defined in the Corporations Act).

**Bidder Share** means a fully paid ordinary share in the capital of Bidder.

**Condition Period** means the period beginning on the Announcement Date and ending at the end of the Offer Period.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Encumbrance** means:

- (a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement;



- (b) a notice under section 255 of the *Income Tax Assessment Act 1936* (Cth), subdivision 260-A in schedule 1 to the *Taxation Administration Act 1953* (Cth) or any similar legislation;
- (c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money);
- (d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property;
- (e) an agreement to create anything referred to above or to allow any of them to exist; or
- (f) a security interest as defined in section 12 of the *Personal Properties Securities Act 2009* (Cth).

**Offer** means the offer to acquire Target Shares to be made by Bidder to Target Shareholders under the Bid.

**Offer Period** means the period during which the Offer is open for acceptance.

**Public Authority** means any government or any governmental, semi-governmental, administrative, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

**Relevant Interest** has the same meaning as given in sections 608 and 609 of the *Corporations Act*.

**Target** means Breakaway Resources Limited (ABN 16 061 595 051).

**Target Options** means options to subscribe for Target Shares.

**Target Shares** means fully paid ordinary shares issued in the capital of Target.



---

### **3 SCHEDULE3 – AGREED BID TERMS**

#### **3.1 Offer Price**

Bidder offers to each Target Shareholder one Bidder Share for every 10 Target Shares held.

#### **3.2 Conditions**

The offer by Bidder under the Bid may be subject only to conditions that are no less favourable to Target Shareholders than those described in **Schedule 2** of the Bid Implementation Agreement.



## 4 Schedule 4 - TARGET'S AND BIDDER'S CAPITAL

### PART A

#### 4.1 Target Shares

Target has 434,854,266 fully paid ordinary shares on issue.

#### 4.2 Target Options

Target has 7,500,000 options on issue as follows:

Number of Options	Expiry Date	Exercise Price
1,250,000	11 May 2015	\$0.053
1,250,000	11 May 2015	\$0.10
2,500,000	1 July 2015	\$0.023
2,500,000	1 July 2015	\$0.10

### PART B

#### 4.3 Bidder Shares

Bidder has 107,785,709 fully paid ordinary shares on issue.

#### 4.4 Bidder Options

Bidder has 12,953,333 unlisted options on issue as follows:

Number of Options	Exercise Price	Expiry Date
410,000	\$0.25	2 December 2013
1,000,000	\$0.40	30 August 2015
1,000,000	\$0.55	27 February 2016
4,300,000	\$0.40	17 May 2015
1,740,000	\$0.21	29 September 2016
2,420,000	\$0.25	3 July 2017
2,083,333	\$0.30	4 July 2018

Executed as an agreement on 12 July 2013

Executed by **Breakaway Resources Limited ABN 16 061 595 051** in accordance with section 127 of the *Corporations Act 2001* (Cth) by or in the presence of:

  
\_\_\_\_\_  
Director Signature

  
\_\_\_\_\_  
Secretary/Director Signature

John Atkins  
\_\_\_\_\_  
Name of Director (print)

Simon Storm  
\_\_\_\_\_  
Name of Secretary/Director (print)

Executed by **Minotaur Exploration Limited ABN 35 108 483 601** in accordance with section 127 of the *Corporations Act 2001* (Cth) by or in the presence of:

  
\_\_\_\_\_  
Director Signature

  
\_\_\_\_\_  
Secretary/Director Signature

ANDREW WOSKETT  
\_\_\_\_\_  
Name of Director (print)

ANTONIO BELPERIO  
\_\_\_\_\_  
Name of Secretary/Director (print)